The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

China Grants 30-Year Renewal of Japan's Concession at Hangchow

ARTICLES IN THIS ISSUE

Chinese Students in U.S.-Canada and What They Do

Lack of Censorship on Jap Cable Cause of Distorted News

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YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE. POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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CHINESE STUDENTS IN U. S.-CANADA AND WHAT THEY DO

THERE are now 1,504 Chinese students enrolled in colleges and universities of the United States and Canada, according to a directory which has just been issued under the auspices of the Chinese Students' Christian Association in North America, the officers of which include Arthur A. Young, Y. E. Hsiao and Paul K. J. Feng. The office of the organization is located at 347 Madison avenue, N. Y., from which is issued, in addition to the directory containing names and addreses, an interesting monthly bulletin. California leads all the states with 311 students enrolled, while New York occupies second place with 264. Other states which are popular with Chinese students are Michigan, with 139; Massachusetts, 95; Illinois 79; Indiana 29; Ohio 30; Pennsylvania 58; Washington 26; Wisconsin 24; Minnesota 18; District of Columbia 16; Missouri 11; Colorado and Connecticut with 9 each. There are 61 Chinese students enrolled in educational institutions in the Dominion of Canada, while the Territory of Hawaii has 251, all of whom are registered at the University of Hawaii. The largest Chinese enrollment at any educational institution on the North American mainland is at the University of California which has 147. Michigan is second with 119, while Columbia University has 72, and New York University 67. Harvard University has 28, of which number two are enrolled in the medical and public health departments. Yale has 9 students this year, the same number that is attending the University of Missouri. Most of the students at Missouri are in Journalism. The University of British Columbia at Vancouver with 27 Chinese students enrolled leads all other Canadian institutions.

Equally interesting information is contained in the classifications covering subjects in which Chinese students are specializing at the present time, the combined engineering branches taking the lead with 264 students, followed by Business Administration with 99 students enrolled. While some 556 students are grouped as "not classified," probably due to the fact they had not selected their specialties at the time the directory was issued,

it was interesting to note that only one students is devoting himself to a study of military science, at the U. S. Military Academy at West Point. Aviation is more popular with 11 students enrolled. A complete list of the subjects with the number enrolled in each, follows:

United States and Hawaii

Engineering (Unclassified)	121
Civil Engineering	47
Chemistry and Chemical Engineering	32
Electrical Engineering	27
Mechanical Engineering	23
Mining Engineering	14
Aeronautics	11
Business Administration	99
Transportation	7
Banking	6
Accounting	4
Medicine	64
Dentistry	11
Pharmacy	6
Biological Sciences	12
Physical Education	6
Liberal Arts Sciences	70
Sciences (pure)	12
Physics	16
Journalism and English Literature	15
Library Science	7
Political Science	55
Sociology and Social Sciences	35
Economics	23
Education and Philosophy	60
History and Government	15
Law	15
Agriculture	35
Home Economics	25
Theology	13
Military Science	1
Not Classified	556
Total	1,443

Canada

Agriculture	1
Applied Science	8
Architecture	1
Arts	18
Economics	2
Education	1
Electrical Engineering	1
Engineering	2
Mechanical Engineering	1
Medicine	7
Social Science	1
Theology	1
Not Listed	17
Total	61

LACK OF CENSORSHIP ON JAP CABLE CAUSE OF DISTORTED NEWS

THE *People's Tribune*, edited by Tang Leang-li, which is popularly supposed to represent the political views of Wang Ching-wei, head of the National Executive Yuan at Nanking, published an article in its issue of April 16 complaining at the "nonsense and extravagant statements" which have been published abroad regarding the recent Sino-Japanese conversations pertaining to resumption of normal relations between the two countries. Readers of *The Review* who have followed reports which appeared in our issues of March 23 and April 20, dealing with the censorship situation at Shanghai are doubtlessly already familiar with the chief reason for the publication of so-called "distorted" reports regarding the Sino-Japanese conversations which have appeared in newspapers throughout the world. But to put it briefly, the chief reason for this situation has been due to Nanking's inability, or at least failure up to the present, to establish its censorship over news and commercial messages filed by Japanese correspondents and merchants, and transmitted to Japan over the Japanese cable between Shanghai and Nagasaki. The fact that the Chinese censorship authorities have not been able to establish their control over the Japanese cable, as they have over the cables and radio services used by Americans and Europeans, has had a disastrous effect on opinion abroad with respect to China's position in the recent Sino-Japanese negotiations. The reason for this deplorable situation is due to the fact that while news messages dispatched by American and European correspondents to newspapers abroad have been subjected to severe censorship, there has been no interference with messages filed by Japanese correspondents over the Japanese cable. As a result the Japanese have been able to place their own interpretation on recent developments in Nanking and these interpretations, in due course, have been telegraphed all over the world by newspaper correspondents stationed in Tokyo. Under ordinary conditions, political developments in China which are of international consequence, are cabled abroad by all correspondents, Americans, Europeans and Japanese. Each correspondent may place his own interpretation on the particular event, or he may interpret it in the light of his own country's interests in China, but when there is no restriction on cabled messages, newspaper readers abroad are able to compare reports and thus obtain a balanced view of what is going on. Ordinarily the American and European newspaper correspondent base their messages upon statements, official and unofficial, which appear in the local press, or they may telegraph interviews obtained from Chinese officials directly. Japanese newspapermen follow a similar course, although they are more inclined to shade their messages in accordance with the views of Japanese officialdom, particularly the military. Newspapers abroad, that is, in the United States, Great Britain and Continent, receive dispatches from all possible sources in the Far East, but chiefly from Nanking-Shanghai and Tokyo. In the event there is no censorship, or even in the case where a censorship is enforced impartially on newspapermen of all nationalities, the newspaper in Washington, New York, London, Paris, Berlin, Rome or Moscow is able to obtain a balanced viewpoint of developments. But in the event of the censorship being enforced on only one particular group, as has been the case here, the result naturally is disastrous because the newspaper editors and readers, in consequence, must base their opinions on one-sided reports. This is exactly what has been happening here with respect to the non-censorship of reports

dispatched over the Japanese cable. Newspaper editors and their readers in America and Europe have been compelled to base their opinions almost entirely on Japanese reports disatched from Nanking or Shanghai, or from Tokyo, and since these reports have naturally placed a Japanese interpretation on developments, the result has been a "bad press" judged from the standpoint of Chinese national interests.

Japanese officials, as well as the officially controlled press in Japan, for reasons of domestic politics in Japan, have been anxious to create the impression over the world that Japanese policy looking toward the establishment of complete political and economic hegemony over China has been successful. While the Japanese have achieved considerable success in certain circles, particularly in North China where their military influence is predominant, they have not been able, by any possible stretch of the imagination, to swing Chinese opinion to their point of view, not even on the cessation of the so-called boycott of Japanese merchandise. This has recently been officially admitted by Akira Ariyoshi, the Japanese Minister, but it has not prevented the publication of most extravagant reports in the Japanese newspapers, based upon messages from Nanking and Shanghai, to the general effect that the National government at Nanking had "swallowed" the whole Japanese program. The action of the Chinese censors, allegedly controlled by the Ministry of Communications, in interfering with cabled reports filed by American and European correspondents which might have given a more balanced view of the actual situation, has had the inevitable effect of giving the Japanese a free hand in the all-important matter of reporting Chinese developments. The situation which prevails abroad was recently described in a semi-official report from Washington to the following effect:

> "The public, as well as Washington officialdom, has been beclouded about events in the Far East. We are uncertain about what has happened lately in regard to Japan's moves *vis a vis* China and the reported disposition of the Nanking government to accept Japan's tutelage. Practically all the news published in the Washington newspapers about this important matter has come from Tokyo; there have been only two or three short dispatches from China. The silence of the foreign correspondents in China in this case indicates a rigid censorship; today's *New York Times* has an article about the censorship imposed at Shanghai, but this report as well as another in the *Times* referring to the Japanese program, was filed at Hongkong. Certainly all the American and European correspondents could not have been asleep while the Japanese were putting over, according to Tokyo reports, what amounts to the Twenty-One demands. Most of the newspapers in Washington, as well as elsewhere in the United States, due to reports from Tokyo, are openly accusing Nanking officialdom of having 'sold out' to Japan. . . ."

That Premier Wang Ching-wei now realizes the seriousness of the situation was indicated in the fact that the *People's Tribune* considered it necessary to "re-state China's stand" on the Japanese issue, in the courses of which the following statement appeared:

> "China has every reason to desire friendly relations with so near a neighbor, but how is friendship possible with Japan at this moment extending cordial welcome as an 'Emperor' to a man whom China regards as the puppet ruler of three (four) of her finest provinces, and who has been carried from Manchuria on a Japanese battleship in order that he may express his grateful thanks to Japan's sovereign for being put in possession of territory which China regards as having been stolen from her, and which is held behind a ring of Japanese bayonets and bombing planes? To talk of friendship in such circumstances is to make mockery of the word."

Considering the censorship situation from the standpoint of those directly affected, that is, the newspaper correspondents and merchants who must use the cable and radio services, there is a natural objection to censorship in principle and a realization that it usually reacts unfavorably upon those responsible but on the other hand there also is a realization that censorship is a sovereign right which any nation may invoke in time of crisis. But while all nations have a sovereign right to enforce censorship regulations, this also carries with it an obligation that the censorship will be enforced impartially and that officials responsible for the application of the censorship will not use their positions for private gain or to the detriment of private firms or individuals unless it is established that such firms or individuals are using the cables and radio services for purposes detrimental to the welfare of the state, in which event, action should only be taken through official channels and in accordance with due process of law.

In view of the seriousness of the situation created by the lack of censorship over news and commercial messages dispatched over the Japanese cable, it would seem that the National Government—in the protection of its own national interests—should do one of two thing: Either establish its police control over the Japanese cable station located at 25 Seward road, or, in the event the Chinese authorities are unable to do this, then they should immediately abolish the censorship which they have established over the local offices of the International radio station, and the American, British and Danish cable offices.

Japanese Foreign Office Says China-Soviet Non-Aggression Pact Futile

As long as Soviet troops remain in Sinkiang and Outer Mongolia it is futile to talk of a non-aggression pact between China and Soviet Russia, a Gaimusho spokesman stated in Tokyo, April 23. The reports on the conclusion of a non-aggression pact have been in circulation ever since the Mukden incident, the spokesman said, but little credence is being given to these rumors by Japan.

Should the reports be true, and negotiations are actually in progress, the fundamental question of whether the presence of Soviet troops on Chinese soil constitutes aggression or not must form a serious difficulty in the successful conclusion of the talks, the spokesman added.

Itagaki Objects to Establishment of Demilitarized Zone

Disapproval of the proposed establishment of a demilitarized zone along the Soviet-Manchukeo border was expressed by Major-General Seishiro Itagaki, assistant chief of staff of the Japanese Kwantung Army, on his arrival in Shimonoseki, April 23 from Hsinking en route to Tokyo, where he will attend a conference of staff officers to be held on May 1. "We cannot agree to the projected establishment of demilitarized zone on the Soviet-Manchukuo border, because such zones, only forty meters wide, amount to nothing in time of war," the Major-General asserted.

Mei Lan-fang Says Good Bye to Russia

After a highly successful tour in Moscow and Leningrad, Mei Lan-fang, the well-known Chinese actor and female impersonator, and his troupe, left Moscow April 20 for Warsaw. Mr. Mei is accompanied by Yu Shan-yuan, Professor of Drama of Tsing Hwa University, Peiping, who acts as Mr. Mei's advisor during his tour.

Manchukuo "Empire" Extends Influence Southward by Means of Dope Traffic

The following paragraphs, pertaining to the extension of the Japanese opium and narcotics monopoly in Manchukuo southward into North China are reproduced from an authoritative report on the subject which was compiled by an investigator who recently made a tour of the so-called "demilitarized" zone and surveyed conditions. The investigator stated, in the opening paragraphs, that the attempt of the Chinese authorities to control the traffic through the creation of a monopoly controlled by the Chinese military, plus the recent establishment of hospitals for the treatment of addicts and execution of illicit dealers, had been ineffective due to the competition of the Japanese monopoly. A previous report bearing on the same subject appeared in The Review on April 13, Page 207.

IN Hopei province especially the sale of opium and derivative drugs is rapidly increasing. With the restoration of railway traffic and postal communications, the opening of customs stations along the Great Wall, and the demilitarization of Hopei and Chahar, tons of Manchukuo opium, heroin and morphine are inundating China.

Koreans, Japanese, and "Manchukuoans", with extraterritoriality privileges, are extending the drug menace throughout important northern cities—also in rural towns and villages. Chinese authorities cannot arrest these pill peddlars. In many cases they hesitate to touch even their Chinese customers, who claim "protection" from their own police, sometimes under "certificates" and "posters" issued by the Japanese. In instances Japanese authorities have cried "anti-Japanese boycott" in protest against Chinese attempts to close dope joints, or arrest addicts. Officials therefore observe a hands-off policy toward them. This was shown luridly in a recent prominent case in Peiping. A native Chinese policeman tried to jail a Korean pill merchant. He was soundly thrashed for his stupidity, and dismissed by his superiors.

The network of derivative-drug agents is known to be fast penetrating into Shantung, Shansi, Chahar, and Suiyuan. Statistics over such areas cannot, however, be secured. But the extent of the traffic in Hopei province, where this is written, can be regarded as characteristic of conditions likely soon to become general in other northern provinces. The writer has just completed an investigation in this region, and the facts herein are probably the first that have been published. Vernacular newspapers are forbidden to describe the Japanese-Korean dope business in North China.

Opium from Chahar and Suiyuan provinces is apparently being diverted southward through Shansi, hence Hopei is now dependent almost entirely on Jehol and Mukden for its supplies. This is obvious to any investigator. The persistent rumor that Hopei has been obliged to contract exclusively for Manchukuo opium for this province's opium monopoly may, indeed, be more than half true. Information from reliable quarters indicates that this agreement became effective on March 1. It would explain the comparative overtness with which the whole narcotics trade is conducted.

The so-called "buffer area", a supposedly demilitarized zone lying south of the Great Wall and created by the terms of the Tangku Armistice in 1933, has now become the vast drug reservoir for North China. Hundreds of dope shops, both retail and wholesale, have sprung up here. Many of the travelling drug salesmen in various parts of the north are supplied by them.

The demilitarized zone originally included 22 hsien, with a total area of 120,000 square li, or roughly twice the size of Wales. It reaches from the sea westward to Inner Mongolia, where Japanese are gradually extending it into Chahar province, by the simple process of attrition. Chinese troops are forbidden in this area, which is patrolled by "special police". They are supposedly under China, but actually subservient to the Japanese military command. The population of the zone numbers about 7,000,000 Chinese peasants and small merchants, who suffered losses totalling $100,000,000 during the Japanese invasion in 1933. In addition the region harvested only a 40% crop last year. Many of its inhabitants are heavily in debt, underfed, and sick; psychologically they are good material for the dope peddlars, who usually introduce their poison in the form of medicinal panaceas. The demilitarized zone also includes the great Kailan Mines, a Sino-British enterprise with the largest coal deposits in North China, employing about 40,000 workers at Tangshan and Kuyeh.

Special administration in the zone is composed of Chinese officials nominally appointed by Peiping, but actually the choice of the Japanese military in North China, acting for Hsinking. Ten of the 22 hsien are under Tao Hsiang-ming, special commissioner at Tangshan, and 12 are administered by Yin Ju-ken, commissioner at Tungchow. Both gentlemen are fluent in Japanese. Both are said to be half Japanese. Both execute orders given by Japanese officials and military officers. Magistrates under them have the same dual role as representatives nominally of China, in reality of Manchukuo.

Heroin and morphine shops are established throughout the entire area, ruled by Tao and Yin, even in villages of less than 1,000 population. They are especially numerous along the route of the Peiping-Mukden Railway. Acording to the writer's investigation made by consulting foreign missionaries, customs officials, and Chinese teachers living in the zone, the figures in

cities in the neighborhood of the Kailan mines are as follows: Tangshan, 160 morphines shops; Lanhsien, 104; Kuyeh, 20; and Liuhsi, two. In Changli, where an American missionary hospital takes care of some of the human debris, there are 94 morphine shops. In Chinwangtao, chief seaport north of Tientsin, and largely built up by British interests, 33 heroin and morphine hongs freely operate. In Pei Tai Ho, favorite watering place of North China's missionaries, business men, diplomats and Chinese officials, seven dope shops function. In Shanhaikuan, just inside the Great Wall, there are more than 50 heroin and morphine joints. In Feng Sheng there are 23. In Tsunhua there are nine. So on throughout the 22 hsien.

These modern "drug stores"—known, incidentally, as "yang hongs", or "foreign shops"—are nearly all run by Koreans or Japanese, who have come down from Manchukuo. They are supplied with goods brought in by railway through Shanhaikuan, or by junk through Chinwangtao. Chinese Customs officials formerly made some effort to check imports, but several serious mix-ups discouraged them. Especially since the incident near Chinwangtao last December, when Customs officials, including one Englishman, tried to search a smuggler's ship and were fired upon by nearby Koreans and Japanese, the whole traffic has been left severely alone.

Customs officials, moreover, state that there are now 14 "breaks" in the Great Wall, through which trucks enter from Manchukuo almost daily —bearing Japanese flags. No Chinese official dares of course, challenge a Japanese flag. These bus systems, some using Japanese army trucks, are bringing immense amounts of duty-free goods into the country. Quite aside from the drug traffic, Japanese piece goods, silk, rubber goods, cigarettes, sugar and other products are entering this way and through Shanhaikuan and Chinwangtao. Foreign Customs officials at the latter port estimate that no less than $10,000,000 worth of Japanese goods are smuggled through this area each month.

That figure does not include munitions, nor army provisions. By special agreement with China the Japanese Army is entitled to bring munitions and army goods into North China in unlimited quantities, *duty-free*. This seems to an outsider an almost incredible situation. Right under the eyes of Chinese officials, tons of munitions are being carted into Japanese camps in the demilitarized zone, and into the Japanese garrison in Tientsin, in preparation for future conflict. Japanese troops in the zone, supposed to be withdrawn months ago, are now apparently a permanent fixture in North China. Landing fields have also been laid out at several places inside the Great Wall. Special transport services have been established, and soldiers' barracks erected, on a by no means "temporary" scale. The region is already virually a part of Manchukuo.

Besides dope shops, Japanese and Koreans operate gambling houses, lotteries, prostitution resorts—and "Flowery Societies", which combine the activities of all. (Some of the drug shops are also said to rent guns at $1 per night, and give shelter to the renter after this excursion, but of this definite proof is lacking.) Proprietors of all such enterprises are registered with the Japanese Consulate at Tientsin. It periodically sends out an inspector to visit the various "business men" in the region.

In some instances these Japanese and Korean "ronin", as such racketeers are called, have organized banditry, then organized among the helpless populace societies for "protection from bandits". A profitable racket in connection with this form of exploitation are the so-called "Japanese languages schools." These are found at Chinwangtao, Lan-hsien, Shanhaikuan, and Tientsin, with branches in smaller places. At Lanhsien, a town at the mouth of the Luan River which rises in Jehol and flows through the demilitarized zone, the "Japanese School" claims a membership of 8,000. Chinese enthusiasm for the conquerors' languages is mystifying, until one learns that for his entrance fee of $1.50, and his monthly tuition of $1, the "language student" is given a special poster to hang on his door. This magic symbol entitles him to "protection" by the ronin, whose right to "protect" depends, of course, on their connections with the Japanese Army.

Passing out of the demilitarized zone, the traffic in narcotics is only slightly less extensive. In Tientsin and Peiping, and in cities farther south, peddlars are setting up in business on an alarming scale. In Tientsin alone, according to official figures, there are more than 120,000 heroin and morphine addicts; in Peiping official estimate places the number at 60,000, which is probably too conservative. In the Japanese concession at Tientsin there are over 80 morphine dens. Opium lamps and pipes are sold openly in the streets. In Peiping there are over 70 drug joints (exclusive of the Chinese government-licensed opium hongs, which are increasing). The derivative-drug shops are concentrated largely in the East City, near the Japanese Legation Guard. But they are spreading in rural districts also. Many drug agents have penetrated even to the model district of Ting Hsien. As long as a year ago one of the officials there estimated that the population was spending over $1,000,000 annually on narcotics. And there are 131 hsien in Hopei; With growing insouciance, proprietors do business in defiance of police.

As but one instance, in the little town of Lan Chi, near Peiping, a Korean named Ku recently opened a shop between Yenching and Tsing Hua universities — both American-backed institutions. Chinese police tried to arrest him; he drove them off with a sword. Complaint was entererd with the Japanese, who sent men to arrest him. Two days later the Korean returned—with a new supply of narcotics. He is reported to be doing a thriving business with soldiers from the nearby Chinese barracks.

What Japan Thought of the U. S. Trade Mission ---Also China's Impressions

THE visit of the American Economic mission, headed by W. Cameron Forbes, to Japan apparently was not entirely successful if one bases his opinion on reports which appeared in the newspapers in Japan. Several days ago the Japnese *Rengo* service distributed a report to the newspapers in Shanghai stating that the American mission had finished up its investigation in Japan and was preparing to sail for China "without having committed itself regarding a Japanese proposal for economic cooperation in China." When the members of the Mission arrived in Shanghai they were asked about the *Rengo* report, but professed a lack of knowledge of any Japanese proposal for "cooperation" in China. Now we have a translation of a longer report which appeared in the Tokyo *Asahi Shimbun* on April 18 which also referred to the same subject, a Japanese proposal for economic cooperation in China.

Fortunately, the report in the *Asahi Shimbun* was more detailed, hence it is possible to guess at what the Japanese had in mind, despite the fact that members of the American mission still insist they received no concrete proposals from Japanese sources, although the matter apparently was mentioned on several occasions. According to the report in the *Asahi*, it was declared that while Japanese officials and bussinessmen were interested in discussing Japanese-American trade relations, they were more interested trying to find out what the Mission was planning to do in China. In other words the Japanese were more interested in the visit of the Mission to China and possible developments in this field than they were in trying to find a solution to problems involved in the direct trade relations of Japan and the United States. Apparently the Japanese are beginning to feel that a further expansion of American business in China may have an adverse effect of Japan's trade in China, hence they were anxious to find out from members of the Mission whether it would not be possible for businessmen of the two countries to work out some form of cooperation that would eliminate future complications. Apparently there was no discussion of an old and now thoroughly discredited Japanese scheme for cooperation in China which was prominent in the news a decade ago and which was aptly described as a combination of "American money and Japanese brains." But no longer do American businessmen feel the need of Japanese brains in their selling activities in the Far East. Several leading American companies did fall into the Japanese scheme and turned over their China selling agencies to Japanese firms, but no sooner had the contracts been signed than the Chinese launched a boycott against the Japanese and everything was spoiled. The Americans learned through bitter experience that the only effective way of selling American goods was to sell them themselves and they have followed that plan more or less successfully since. Several important American concerns have established branch assembly factories in Japan which seem to operate successfully, but in some cases there also has been trouble here for the Japanese are becoming increasingly nationalistic and want to do their own manufacturing. In the case of the General Electric company, the Japanese factory became so efficient that it was necessary for the American authorities to raise the duty on Japanese made electric light bulbs which threatened to swamp the American market and force a closure of the home plant in Schenectady, N. Y.

It is therefore difficult to understand just what the Japanese had in mind with regard to their new scheme of cooperation in China unless they want the Americans to get out of Asia entirely and turn everything over to the Japanese. As a matter of fact a Japanese newspaper did print such a proposal several months ago, but did not go to the extent of telling how they would go about inducing American firms to withdraw from the China market. Obviously no American trade association or the goverment either would have power to force Americans to cease their selling activities in the China market. The only way of driving American firms out of China would be for the Japanese to undersell them to such an extent that it would be unprofitable for the Americans to continue, or the Japanese army might take over China as it did Manchuria and then eliminate American competition through the creation of state monopolies as in the case of the Manchukuo oil monopoly. But even this issue is not entirely settled because Secretary of State Hull, despite all of his mildness, "good-neighborliness," and altruism about international trade has just lodged another protest with the Japanese government that was so strong that the Tokyo Foreign Office has not yet seen fit to publish it in the Japanese newspapers.

There has been entirely too much talk at "hands-across-the-sea" banquets and similar functions about Japanese-American trade being "complementary," rather than "competitive," and while there may have been some truth in this in the past, it no longer prevails today. Japanese-American trade is competitive and promises to become more competitive in future. The best evidence of the competitive nature of Japanese-American trade is provided by recent Japanese complaints that American firms were using their influence to block a further expansion of Japanese commerce in Central and South America, plus the equally strenuous complaints of manufacturers in the United States that the import of cheap Japanese goods is largely responsible for the depression in important lines, particularly cotton goods. It was reported that certain New England manufacturers of cotton goods had distributed circulars among their employes charging that Japanese

competition was responsible for the necessity of lowering the wage scale. It also appears inevitable that there will shortly by keener competition of American and Japanese firms in the China market, evidence of which appears in the alleged Japanese proposal to the American trade mission to agree to some form of "cooperation." For many years New England cotton manufacturesrs paid little or no attention to the China market, but recent developments in the cotton mill industry in the United States indicate that there may be a significant change. What has happened, apparently, is that cotton mills established in the southern states, where the cotton is produced, are able to supply most of the American domestic needs, thus leaving the large New England mills without a domestic market. Therefore it is more than likely that they may turn to China and if they do make this important decision it will result in increased competition for the Osaka mills.

For many years the Japanese were able to balance their purchases of American raw cotton with their sales of raw silk, but in recent years rayon, which is cheaper to produce, has been driving Japanese raw silk out of the U. S. market. The result is a serious unbalancing of Japan-America trade, the figures last year being, Japanese sales to the United States Yen 398,928,139 against American sales to Japan amounting to Yen 769,359,099. And now to make the situation even worse, the new farm-improvement program of the Roosevelt administration is causing the price of American raw cotton to constantly increase. Obviously, Japan cannot continue to purchase high-priced American raw cotton and sell low-priced cotton goods in China. The time is bound to come sooner or later when it will be possible for the New England cotton mills to begin selling in China in competition with the Japanese and when that time comes the Japanese labor differential will not be able to make up for the higher-priced raw cotton in the United States. Japan's realization of this tendency in indicated in Japan's recent attempt to develop new sources of cotton supply in Brazil and even in Manchuria and more recently in China. But this cannot be done in over night hence the present advantage enjoyed by Osaka mills is not likely to be a permanent one.

The *Japan Chronicle*, well know British paper at Kobe, published on April 14 an extended editorial reference to the visit of the American trade mission and it was indicated quite clearly that there had been no actual "meeting of minds" on the part of members of the mission and Japanese officials and businessmen. As a result the Japanese have now decided to send a mission to the United States in the hope of getting down to the real essentials of Japanese-American trade relations. In the meantime it apparently would be well for those who are really and sincerely interested in improving the relations of the two countries to cease talking about the non-competitive nature of Japanese-American trade and face the facts. Also, they should not overlook the diplomatic situation because the activities of the Japanese military clique in recent years has built up a vast amount of ill will in the United States which is now reflected in the trade situation. Obviously there is little use talking about improving the trade relations of the two countries in the face of the diplomatic deadlock which has existed since the Japanese warlords decided to scrap the treaties and drive everybody else out of Asia.

THE MISSION IN CHINA

It is too early to speculate upon the results of the American Trade Mission's visit to China, but here the mission will not be faced with problems concerned with "unbalanced" trade, at least not to the extent which applied with respect to the trade of Japan and the United States. The *People's Tribune*, which is popularly thought to express the views of Wang Ching-wei, head of the Executive Yuan, had the following to say about the visit of the mission:

> "It is not as through China and the United States were comparative strangers to each other, ignorant of mutual resources and requirements. The United States is China's best customer, taking nearly 18 per cent of our total exports and supplying more than 26 per cent of our imports from abroad. Excluding Japan and Great Britain, American buyers take more of our products than any other four nations put together; in 1934 China's exports to the United States amounted to nearly 95 million dollars—not far short of double the shipments to Great Britain, and 14 millions more than our exports to Japan. From the United States last year we took 271 million dollars' worth of goods, more than British and Japanese imports put together, and representing more than one-quarter of the total shipments to China from foreign countries. There are keen American business-men established in this country who keep a very close eye on trade opportunities—whose sole concern it is to be well posted in the matter of finding new channels through which to dispose of the goods they have to sell and know where to buy. In addition to these men whose livelihood depends upon developing some branch of Sino-American trade, the U.S.A. Government has a very able official stationed in China whose special business it is to keep his Department fully informed upon every aspect of Chinese industrial and commercial activity which has any bearing upon American business interests.
>
> "With the ground so well convered from the American viewpoint, what is to be expected as a result of the coming visit to this country of the American business mission? Firstly, opportunity will be provided to see some of the striking changes taking place in China—changes with which some who live in the country are so familiar as to be in danger of failing to realize their importance and far-reaching effect. Second, when the visitors see with their own eyes how China is breaking away from century-old conventions and restraints, seeking to put in place of what was bad that which is good, they will be able to visualize the developments of the next decade much more clearly than would be possible from their offices and homes ten thousand miles away, no matter how closely they read their newspapers and the *National Geographic Magazine*. If the effect of what our visitors see during their travels in China is good, they will carry away a favorable impression of this country and its people, and be the more disposed to listen to any business propositions subsequently put up to them, and generally to be more sympathetically inclined toward China."

Only one note of serious criticism of the visit of the American trade mission appared in the comment in the Chinese newspapers upon the arrival of the delegation at Shanghai on Monday,

April 22. Kwei Chung-shu, editor of the *China Critic*, in a weekly column which he contributes to the Shanghai *Evening Post*, criticised the "uncertain" status of the mission on the ground that while it has been announced as an "unofficial" mission, it may finally turn out to be "official." Mr. Kwei's criticism, however, apparently was based more on the allegedly exclusive nature of China's selection of experts designated to confer with the members of the American group. He also declared that America's "ruthless, if not reckless purchase of silver has admittedly aggravated the trade depression in this country." He also charged that America's failure to uphold China's territorial integrity has given rise to a new political obstacle in Nanking's endeaver to put an end to the depression. His reference to America's failure to uphold China's territorial integrity apparently referred to the failure of the United States to block Japan's occupation of Manchuria.

Leading Chinese papers such as the *Shun Pao*, *Sin Wan Pao*, *China Times* all extended hearty welcome to the members of the trade group, but most of them referred to the silver situation stating that while the announced object of raising the price of silver had been to increase China's purchasing power, the results had been the opposite, threatening a radical change in the Chinese monetary system. The *Central China Daily News* said that the days of forceful wrestling for markets is gone and satisfactory trade relations can only be developed through reciprocal relations.

An Ardent Advocate of Sino-Japanese Cooperation Appears in Tientsin

A new Chinese daily newspaper by the name of *Kuo Chuan Pao* ("National Rights Daily"), understood to be owned and financed by Japanese but apparently edited by Chinese, has recently been published in Tientsin, with offices at No. 2 Suma Road in the Japanese Concession there. The paper consists of only one sheet of four pages and gives the appearance of a general newspaper with telegrams, correspondences and an editorial. In its 65th issue, the paper carried two advertisements, one a manifesto by the so-called Chun Kuo Kuo Chuan Shih (The National Rights Society of China) and the other the Platforms of the Society—and one editorial which is an attack on General Chiang Kai-shek in connection with his campaign against the Communists.

The manifeste is an undisguised attack on the Kuomintang and the Nanking Government for their failure to protect national rights. After briefly reviewing the interntional situation as affecting China, the manifesto advocates Sino-Japanese co-operation as a means to safeguard the peace of East Asia against the encroachments of the West. Such co-operation, according to the manifesto, should be carried out on the following basis: Japan to develop China with its science and China to supply Japan with raw materials to meet her needs. With this co-operation and mutual assistance, the manifesto further advocates, China and Japan should pool their national strength to seek for the unity and consolidation of Asia against the West.

The platforms of the Society are divided into two categories: (a) In regard to internal affairs and (b) In regard to external relations.

The high lights under (a) are:

1. Establishment of a Chinese Federal Republic to be composed of the Han, Manchurian, Mongolian, Mohammedan and Tibetan Races.
2. Extirpation of the militarists, politicians, corrupt gentry and party scoundrels in order to suppress the source of trouble of the Chinese nation and to define and determine the rights of the people.
3. Disbandment of the superfluous troops and diversion of the present overwhelming military expenditure to the better treatment of the soldiers and to the development of agriculture and industry.
4. Reform of the present system of high education and popularization of the rural education.
5. Relief of the present unemployed people on the principle of "Where there is rice, there must rice for everybody."
6. Abolition of all the restrictions on the freedom of speech, assembly, publication and residence. Unconditional protection of the life and property of the people.

The high lights under (b) are:

1. Sincere co-operation between China and Japan.
2. Non-alliance with any foreign country, Russia or America, and self-struggle to face any possible change of the international situation, even in the event of a Second World War.
3. Follow the example of Turkey in abolishing all the unequal treaties. Neither to irritate foreign countries nor to seek sympathy from them, but to struggle alone to liberate China from the foreign shackles.
4. Neither hate Japan nor befriend Europe or America. If China were in the position of Japan and Japan in that of China, China would do exactly what Japan had been doing. The only way to save China is to develop her national strength to resist the western aggression and the penetration of the Red menace. If China can be in a position to do so, Japan would be glad to co-operate with her. Otherwise, because of fear and suspicion of western aggression or Red menace, the radical elements of Japan would naturally be incited to resort to forcible means to forestall such dangers.
5. In spite of the temporary occupation of the Northeast by Japan, China should still unhesitatingly unite and co-operate with Japan, because Europe and America are too far distant to be of any help, while Japan is too close to be offended. The change of political organization of the Northeast is not a serious question. If China has no means to protect herself, Sinkiang will soon become an independent country under the influence of Soviet Russia, and Tibet will also be independent of China under the instigation of Great Britain. On the other hand, if China can have means to defend herself, Japan will naturally restore the Northeast to China. The present policy of the Nanking Government in seeking the co-operation with Japan and at same time with Europe and America in the hope of that Europe and America will fight for China in order to force Japan to restore the occupied territory will lead China nowhere, but will only arouse further suspicion on the part of Japan.

Chinese Editor, Espousing Laundrymen's Cause, Found Guilty of Libel

Time Magazine says that when a Chinese in Manhattan wants to start a laundry he does what a Manhattan Irishman used to do when he wanted to open a saloon. The would-be saloon-keeper, in the old days, went first to Tammany Hall for political permission. The aspiring laundryman in those days trots around to No. 16 Mott Street and fixes things up with the Chinese Benevolent Association. If the place he has in mind is not too near another Chinese laundry, if he pays down his first annual fee in advance and if he is otherwise acceptable to the Association, the applicant may open his shop with assurance that the Association will protect him in turn from invasion of territory. Thus is 98% of Chinese business in Manhattan controlled. Like Tammany in its prime, the Chinese Benevolent Association can be benevolent. It cares for its poor (throughout Depression, Manhattan's Chinatown has had no breadline), runs an employment bureau, looks out for its sick, provides funerals, But also like Tammany, it has its hostile Press. These facts were mentioned in connection with a crimmal libel charge against a a Chinese editor in New York, Harry Jee, editor of the *Chinese* Journal, printed in the paper that the Association was 剝-ing the Chinese laundrymen. He contended that these words did not mean as the prosecution contended "rob" or "cheat" but merely "squeeze." At any rate he was found guilty.

Executive Yuan Discusses Protection for Chinese Residents in Siam

In view of the rigid measures taken by the Government of Siam to suppress the instruction of Chinese among the Chinese residents in Siam and to restrict their freedom of residence and business, the Executive Yuan summoned a joint meeting of the Ministries of Foreign Affairs, Interior and Industry and the Overseas Affairs Commission at Nanking April 22 to discuss measures to deal with the situation.

Siamese Officials Pass Through Shanghai on Way to Japan

A delegation of twenty Siamese officials despatched by the Siamese Goverument on a tour of China and Japan passed through Shanghai this week on the s.s. *President Coolidge*. The delegation is to investigate the progress of civil administrative conditions. The Central Overseas Affairs Commission despatched a representative from Nanking to welcome the delegation here on behalf of the Government. The Siamese party is expected to return to China later for an extended tour.

Ariyoshi Says Sino-Japanese Relations Improving; Red Menace to Szechuan Capital Removed

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **Ariyoshi Asks Stricter Control of Anti-Japanese Activities in China.**
2. **General Chiang Tso-pin Returns to Tokyo After Visit to Formosa and Korea.**
3. **Agreement Reached on Bandit-suppression in Demilitarized Zone.**
4. **Mongolian Political Council Holds 2nd Plenary Session.**
5. **Panchen Lama on Way of Return to Tibet.**
6. **Red Menace to Chengtu Removed with Arrival of Government Troops.**
7. **Langchung in Northern Szechuan Captured by Anti-Red Forces.**
8. **Sino-British Boundary Commission for Yunnan-Burma Border Formed.**
9. **General Chen Chi-tang Unifies Command of Army, Navy and Air Force.**
10. **8th Anniversary of Founding of Nanking Government Commemorated.**

Interviewed upon his arrival at Tokyo from China on April 23, Akira Ariyoshi, Japanese Minister to China, stated:

"I believe it correct to state that Sino-Japanese relations have improved considerably of late. The gradual decline in anti-Japanese movements was appreciated by Japanese consuls-general who held a meeting in Shanghai from April 8.

"The promulgation of orders by Gen. Chiang Kai-shek and Wang Ching-wei aiming at the suppression of anti-Japanese movements and their frank advocacy of Sino-Japanese amity based on the 'Great Asia' doctrine of Dr. Sun Yat-sen seem to have been stimulated by the general State of affairs in China at present.

"Everybody agrees that money is necessary to bring about the unification of China and for the financial rehabilitation of the state. These views are equally shared by those two groups commonly labeled the 'American-European clan' and the 'pro-Japanese faction.'

"There seem to be various ways to fill this need. Some assert that self-help is indicated, while the others are planning to raise foreign loans.

"Dr. H.H. Kung, Finance Minister, seems to be now busily engaged in the drafting of plans for obtaining these foreign loans, and I hear that Britain prepared to take appropriate action as soon as Dr. Kung's plan is drawn up.

"It is not true that China approached Japan for an independent loan. However, China has intimated such a wish through various channels but the amount required has not been made clear.

"Japan will not flatly reject China's proposal for a loan. Nothing can be done until we hear its conditions, the object of the loan and the means whereby it will be raised. We are absolutely opposed to the plan if it has political coloring and if it is liable to lead to the joint control of China. However, one which will contribute to unification of China and does not violate her independence will be approved.

"Japan has never said she was opposed to a loan, nor did I ever receive instructions to that effect. But before we aid China, that country ought to show us a plan for her own help.

"Time will solve the pending problem of elevating the Japanese Legation in China to the status of an Embassy. And this question must be solved independently of other countries. The establishment of a branch office in Nanking is an urgent matter. The Minister must not stay long in Shanghai, but should be in Nanking.

"The settlement of North China problems is surely important for the promotion of future Sino-Japanese relations. Pending issues, including the solution of questions consequent upon the conclusion of the truce agreement will be solved if China shows sincerity.

"The delay in the return to Peiping of Gen. Huang Fu seems to be ascribable to ill-health," Mr. Ariyoshi concluded.

Regarding rumors of his impending resignation, Mr. Ariyoshi said: "I have not determined whether I will return to my post or not."

Mr. Ariyoshi called on Koki Hirota, Foreign Minister, at the Foreign Office, in the afternoon to report on the results of his interviews with leaders of the Nanking Government and the conclusions reached at the meeting of Consuls-General in China which was held in Shanghai.

ARIYOSHI ASKS STRICTER CONTROL OF ANTI-JAPANESE ACTIVITIES

The *Asahi Shimbun* on April 16 reported that during Mr. Ariyoshi's last interview with Wang Ching-wei, President of the Executive Yuan, the previous day, Mr. Ariyoshi, after telling Mr. Wang that he was calling on him for the last time before his return to Japan, told him on the basis of the results of the recent confereence of Japanese Consuls in China that although vigorous anti-Japanese activities had been controlled by the Chinese Government authorities, anti-Japanese activities were still to be found in Canton and other special districts and hoped that greater efforts be made by Nanking to attain more thorough control.

According to the report Mr. Wang sincerely pledged to do all he can to stop such activities, however, adding that it would take some time before all such activities were controlled. He asked for some patience on the part of Japan. Mr. Wang took the occasion to declare that there had been no progress in the loan talk. He denied categorically the rumor that talk between Britain and China materialized for extension of a loan to China to the extent of £20,000,000.

GENERAL CHIANG TSO-PIN RETURNS TO TOKYO AFTER VISIT TO FORMOSA AND KOREA

After completing his inspection of the Chinese residents in Korea, General Chiang Tso-pin, Chinese Minister to Japan, left Seoul, capital of Korea, on April 21 to return to his post at Tokyo, according to a telegram received by the Ministry of Foreign Affairs at Nanking.

Count Masatsune Hotta, Parliamentary Vice-Minister of Navy, and Rear-Admiral Sadaki Araki, Commander of the Japanese special landing party in Shanghai, arrived at Hankow by air 9:30 A.M. April 17, on the first stage of an extensive tour of inspection of Japanese naval forces on the Yangtze River.

Colonel Kawano, Chief of Staff of the Japanese Kwantung Army, who represented Japan in the Tangku armistice conference, arrived at Peiping from Mukden April 23. He is understood to be in Peiping on a pleasure trip and have no special mission.

CONFUCIUS DESCENDANT TO ATTEND TOKYO CELEBRATION

Decision to send Kung Chao-hsun, a descendant of Confucius, and two officials to the celebrations marking the reopening of the Confucian Sanctuary at Yushima, Tokyo, was made by the Shantung Provincial Government on April 17. The invitation was extended through Koichi Nishida, Japanese Consul-General at Tsinan.

Direct radiophone Service between Tokyo and Shanghai will open as soon as the installation of the shortwave radio equipment is completed at the Chenju station, according to a *Rengo* report.

AGREEMENT REACHED ON BANDIT SUPPRESSION IN DEMILITARIZED ZONE

An agreement has been reached between Col. Takahashi, the Japanese Military Attache, and the commanders of the newly organized Peace Preservation Corps concerning bandit suppression in the demilitarized zone. According to the

understanding reached, the Chinese authorities are to inform the Japanese military authorities of any bandit menace in the demilitarized zone, when such is discovered, and the latter are to co-operate with the Paoantuei to suppress such bandits.

About 60 soldiers of the 751st Division, under the command of General Yu Hsueh-chung, stationed at Peitung along the Peiping-Liaoning railway line have fled northwards after having shot to death a non-commissioner officer late in the night of April 21 in a mutiny reportedly caused by the failure of Gen. Yu to pay his men, according to a *Rengo* dispatch.

CHINESE BANDITS GET "MANCHUKUO" ARMS

The existence of a "Manchukuo" arms smuggling gang supplying Chinese bandits in the demilitarized zone with weapons and ammunitions was brought to light recently when authorities at Tsunghwa arrested several agents and seized a quantity of the contrabined recently. The gang has headquarters in Chinchow and smuggles the firearms into North China via the Great wall passes. The bandits in those areas are all equipped with weapons produced by the Northeastern Arsenal now under "Manchukuo" control.

JAPANESE DISCRIMINATION CAUSES TRAVEL BUREAU LOSS

The restrictions imposed by the Japanese Kwantung Army authorities against Chinese entering Manchuria account largely for the serious loss of business of the Eastern Travel Service, according to Chang Sui-chi, Manager of the Service. The Japanese authorities, according to Mr. Chang, have set a definite quota for Chinese entering Manchuria, and no body is allowed to go outside the Great Wall beyond this limit. This, explained Mr. Chang, has affected adversely to a serious extent the business of the Eastern Travel Service, which caters mostly to third class passengers against whom the Japanese diserimination is most severe. Mr. Chang, however, said the Service would manage to carry on in spite of the loss.

MONGOLIAN POLITICAL COUNCIL HOLDS 2ND PLENARY SESSION

The second plenary session of the Mongolian Political Council was opened at Pailingmiao on April 24. Two memorial meetings were held during the day, one in commemoration of Jenghis Khan, first Emperor of the Yuan Dynasty and the other in commemoration of the first anniversary of the establishment of the Council, after which horse racing wrestling were held. Business meetings of the Council are scheduled to be held from April 25th. A large number of Mongolian officials and members of the Council are now assembling in Pailingmiao, including Solomutashi, Pai Yun-ti, Ke Hsin-erh, Wu He-ling, Ayulawukwei, Yung Hsiang, and Kungchukelahsi, members of the Council, Pao Yueh-ching, Chairman of the Finance Committee, Fu Ling, Director of the Education Department, and Chia Pao, Counsellor

MONGOLS REVOLT AGAINST LEAGUE CHIEF OVER TAX DISPUTE

The people of the Ulan-Tsab League are up in arms against their chief, the President of the League, according to an urgent telegram from Kweihua. The trouble arose as the result of the attempt of the Wu-La-Te-Chien Banner (popularly known as the Hsikung Banner) of the Ulan-Tsab League to establish their own tax stations. Their action meeting with the disapproval of Prince Yun, President of the League, the people of the Banner, on the 18th inst., made a surprise attack on the palace of the Mongolian Prince. On receipt of the report, General Fu Tso-i, Chairman of Suiyuan, despatched the units under General Wang Ching-kuo to restore peace and order.

To-Lu-Wa Hutuketu, Special Paicfication Commissioner for Outer Mongolia, called on Lieut.-General Huang Mu-sung, Chairman of the Mongolian and Tibetan Affairs Commission April 22 to report on his work in Outer Mongolia and to request the Central authorities for an appropriation of $20,000 for the succor of Mongolian refugees from Outer Mongolia.

The detailed measures for solution of the Mongolian-Suiyuan dispute over revenue collection, as agreed upon recently by the Mongolian Council and Suiyuan Provincial authorities, have been fully carried out by the Mongolian authorities. A report to this effect has been submitted to General Ho Ying-chin, Chairman of the Peiping Branch of the Military Affairs Commission, by Prince Teh, Secretary General of the Council.

MONGOLIAN BANNERS IN CHAHAR TO BE REORGANIZED INTO A LEAGUE

General Sung Chih-yuan, Chairman of Chahar, who arrived at Peiping from Kalgan April 19, in an interview, stated that he had come to report to the Peiping authorities on conditions in Chahar and on his conference with Prince Teh, Secretary-General to the Mongolian Political Council, at Pangkiang, north-eastern Suiyuan.

Referring to the reorganization of the twelve Mongolian Banners in Chahar into a League, General Sung said that the matter is still under consideration. He also admitted that the Mongols demanded the reversion of the four Mongolian Banners in Suiyuan to the jurisdiction of Chahar. The territories of the four Banners were made part of Suiyuan province by the Central authorities in 1928 when the provinces of Chahar, Suiyuan and Jehol were created.

Chiapossu (Monastery) with its vast estate in western Chahar has been converted into a district. To be known as Hwateh Hsien (district), this new addition brings the number of districts in Charhar province to 17. 20 new villages will be laid out in the new district. Each village will be composed of 15 households. Settlers from Shantung province will be sent to the district for reclamation work.

LONDON TIMES SEES MONGOLIAN AUTONOMY MOVEMENT AS AID AGAINST JAPANESE POLICY

The *London Times* on March 26 published a leader devoted to the interior situation in Mongolia.

"Perhaps," the leader says, "Teh-Wang, head of a million Inner Mongolians under Chinese rule among whom a strong movement of autonomy has risen, may be able to improve the position of his people by playing off Chinese fears against Japanese ambitions; but this game could only be played while Eastern Asia remains, however uneasily, at peace.

"Meanwhile," the article proceeds, "the future of Mongolia is once more becoming an international problem. A people which seemed to have passed out of history is beginning to reappear in the humble capacity of mere owners of a battle ground. But one must reflect that the ancestors of these herdsmen and horsemen carried the blue banner of Jenghis Khan from the ashes of Kieff to the pillage of Baghdad, from the Yellow Sea to the Adriatic. He who remembers that Russia, Persia, China, and India once trembled before the Mongolian Emperors will wonder whether their descendants will always be content to be pawns in the Far Eastern diplomatic game."

PANCHAN LAMA ARRIVES IN LANCHOW ON WAY TO TIBET

The Panchan Lama arrived Lanchow from Ninghsia by airplane April 20. The Tibetan Living Buddha was greeted at the aerodrome by General Chu Shao-liang, Chairman of the Kansu Provincial Government, and other high officials. The Panchan Lama is staying there for a few days before leaving for Chinghai.

Interviewed on his future policy, the Panchen Lama said that after his return to Tibet, he will base various reforms on the "Three People's Principles" (*San Min Chu I*) and carry them out in consonance with the wishes of the Central Government and in accordance with its frontier policy. He hoped also to exert his spiritual authority for closer co-operation between the Tibetan and Chinese peoples, with a view to strengthening the border defences, coordinating Tibetan culture with Chinese civilization and popularizing education among the Tibetans.

RED MENACE TO CHENGTU REMOVED WITH ARRIVAL OF GOVERNMENT TROOPS

With the arrival of heavy reinforcements at Chengtu, the menace to the Szechuan provincial capital caused by the attempted invasion of the "Reds" under Hsu Hsiang-chien from northern Szechuan has been removed. The reinforcements consist of the 54th Government Division under Lieut.-General Hao Meng-lin, and units of the Southern Route

Army under Lieut.-General Pan Wen-hua, of the Szechuan Bandit-suppression Forces. The latter troops were originally responsible for the defence of southern Szechuan against an incursion by the "Reds" under Chu Te and Mao Tse-tung, but with the flight of the "Reds" towards south-western Kweichow they were ordered to exchange posts with the 4th Route Army under General Yang Sen.

As an added safeguard against bandit attacks on Chengtu, Lieut.-General Fei Tung-ming, Acting Commander of the Szechuan Provincial Peace Preservation Corps, has established his headquarters at Chengtu, and is supervising the erection of a chain of blockhouses and other defence works in the neighborhood of the city, for which a sum of $60,000 has been appropriated by General Chiang Kai-shek.

GENERAL TENG HSI-HOU PRAISED BY BOTH GOVERNMENT AND PEOPLE

In gratitude to the 1st Route Army under General Teng Hsi-hou attached to the Szechuan Bandit-suppression Forces, who defended against overwhelming odds the various cities along the Fow Kiang (River) attacked by the "Reds" under Hsu Hsiang-chien, members of the gentry and prominent residents of Chengtu, have telegraphed to President Lin Sen urging that a Government Mandate be issued commending the Szechuan troops for their bravery.

The able generalship of General Teng Hsi-hou and the valor displayed by his troops in defending the cities of Kiangyu and Tzetung against furious bandit assaults in northern Szechuan, have evoked high commendation from General Chiang Kai-shek. In a telegram to General Liu Hsiang, Commander-in-Chief of the Szechuan Bandit-suppression Forces, General Chiang instructs that a circular order be issued commending General Teng for his capable direction in resisting the "Red" invasion in the Fow Kiang (River), while Major-Generals Huang Ao and Huang Shai--hsi, who succeeded in holding the cities of Tzetung and Kiangyu along the Fow River despite their isolated positions, be each given one major merit. The two brigades responsible for the defence of the two cities are to be given $5,000 each, General Chiang instructs.

RED STRONGHOLD IN N. SZECHUAN CAPTURED

After almost three weeks' occupation by the "Reds" under Hsu Hsiang-chien, the strategic city of Langchung (paoning), on the eastern bank of the Kia Ling Kiang (River) in northern Szechuan, has been recaptured by the 6th Route Army under Lieut.-General Wang Tsan-hsu. The abandonment of this city by units of the 2nd Route Army under General Tien Sung-jao at the end of last month was responsible for the "Red" incursion westwards.

Peng-cheng-Pa and Ma-An-Shan, two Red controlled districts in northern Szechuan, have been recovered by the Szechuan troops under Generals Wang Chan-hsu and Li Chia-yu, according to a telegram received at Chungking from Kengchung April 17.

Lieut.-General Sun Chen, Vice-Commander of the 29th Army, has been promoted Commander by order of General Chiang Kai-shek, succeeding General Tien Sung-jao, who was recently dismissed by General Chiang for negligence in allowing the "Reds" under Hsu Hsiang-chen to cross the Kia Ling Kiang (River).

General Yang Sen, Commander of the 20th Army and concurrently Field-Commander of the 4th Route Army attached to the Szechuan Bandit-suppression Forces, called April 21 on Lieut.-General Ho Kuo-kwang, Chief of the General Staff Corps to Szechuan, to report on the transfer of his units from central to southern Szechuan. Interviewed, General Yang said that only small bands of "Reds" are left on the eastern bank of the Kia Ling Kiang (River), the main portion having crossed the River westwards.

GENERAL LIU HSIANG SENDS DELEGATE TO CANTON

General Liu Hsiang has dispatched a delegate to Canton in person of General Yueh Hsiang-lu as a contact officer in connection with the campaign against the Communists in southwestern China. General Yueh arrived at Canton April 16 and called on General Chen Chi-tang the following day in connection with his mission.

FOUR CORRECTIVES URGED ON KWEICHOW PEOPLE BY GENERAL CHIANG

Four correctives to facilitate the reconstruction of Kweichow province were urged by General Chiang Kai-shek speaking at the weekly memorial service at Kweiyang April 15. Firstly, he said, the work of bandit-suppression cannot be successfully accomplished solely through military force, but must be facilitated through political means. Secondly, General Chiang deplored the state of lethargy that seems to pervade the social atmosphere of the province. The reprehensible habit of getting up late in the morning is a disgrace to the people of Kweichow. Elimination of this bad habit should be actively enforced by the Party, Government and civic leaders in the province. Thirdly, General Chiang continued, work of whatever nature should be done speedily and faithfully. Fourthly, the highest respect must be shown to the Party and National Flags, which represent respectively the Kuomintang and the Republic. Disrespect in this regard is an insult to the Party and the State.

REDS IN KWEICHOW TO BE LIQUIDATED SOON

An optimistic view of the bandit situation in Kweichow is held by Lieut.-General Hsieh Yo, Field--Commander of the 2nd Route Army of the Bandit-suppression Forces. In a telegram to the Central authorities, Lieut.-General Hsieh states that the main portion of the remnant "Reds" are heavily besieged by the Central Gooverment, Kweichow and Yunnan troops in south-western Kweichow and are expected to be liquidated in the near future. The small bands of roving outlaws have been practically exterminated after the "mopping" up by the pursuit forces. In Kweiyang alone, 4,000 "Red" captives and surrendered bandits are being held in detention camps.

With 4,000 of their number killed and 2,000 dispersed at the battles of Anshun and Kwangshun, south-western Kweichow, the remnant "Reds" escaping further westwards in disorder, are now trapped within a cordon thrown by the Central Government, Kweichow and Yunnan troops east of the Pan Kiang (River). General Hsieh Yo is at the Anshun front directing operations against the bandits.

Since resigning as Chairman of the Kweichow Provincial Government, General Wang Chia-lieh, Commander of the 25th (Kweichow) Army, has been appointed Field-Commander of the Pursuit Units of the 2nd Route Army of the Bandit-suppression Forces, with General Yu Kuo-tsai as Deputy Commander. The two Kweichow generals left for the front after formal assumption of their new posts.

NEW KWEICHOW CHAIRMAN TO RECEIVE NANKING INSTRUCTIONS

General Wu Chung-hsin, newly appointed Chairman of the Kweichow Provincial Government, who is now in Nanking to receive instructions from Wang Ching-wei, President of the Executive Yuan, regarding administrative policy for the province. General Wu will leave for Kweiyang shortly to assume his post.

TWO OTHER "RED" BASES IN KWEICHOW RECAPTURED

The Government troops recaptured two more Red strongholds in Kweichow, Tinghuang and Kwangshun, about 34 miles south of Kweiyang, on April 11 and 13 respectively according to military reports from the front. Upwards of 4,000 Reds are reported to have been killed and 2,000 others captured during the fighting. The remnants of the Red hordes are now retreating toward Tzeyun over 100 *li* southwest of Kwangshun. General Chiang Kai-shek has given a sum of $30,000 as a reward to the units operating in southern Kweichow.

General Pai Tsung-hsi, vice-Commander of the Kwangsi Provincial Forces, in a telegram from northern Kwangsi to Generals Chen Chi-tang and Li Tsung-jen at Canton on April 17, reported that the remnant Communists in Kweichow had apparently changed their course of retreat and were fleeing towards the west of that province. The main forces of the Reds were now somewhat between Chenglin and Pankiang near the Yunnan border, the telegram added, and showing no signs of invading northern Kwangsi which is now strongly defended.

GENERAL CHANG HSUEH LIANG IN KAIFENG

General Chang Hsueh-liang, Director of Generalissimo Chiang Kai-shek's Provisional Headquarters at Wuchang, arrived at Kaifeng from Hankow by airplane April 23. He was greeted at the aerodrome by General Liu Shih, Chairman of Honan, and other high officials. General Chang, interviewed by press members, declared he is making an inspecting trip to various places to review Government troops in central and northwestern China. General Chang recently made a visit to Chungking, Kweiyang and Kunming (provincial capital of Yunnan). He returned to Hankow by airplane on April 17.

RED LEADER SAID CRITICALLY ILL

Mao Tse-tung, notorious "Red" chieftain, is reported to be seriously ill, and had to be carried on a stretcher by his followers in their flight.

Liu Po-cheng, Chief-of-Staff to the "Red" Army, is also stated to has been bombed to death by Government troops. The outlaws, bereft of their chiefs, are escaping in disorder towards western Kweichow.

Following the footsteps of Li Tsung-pao, another bandit leader, Fan Chu-chung, Communist regimental commander, has surrendered to the Hunan provincial forces. Fan was responsible for the recent invasion of Kweitung, southeastern Hunan.

For the killing of Liu Yung-chang, "Red" Commander and so-called Special Commissioner of the Hunan-Kiangsi Political Protection Bureau, a cash reward has been awarded to the units of the 18th Division under Lieut.-General Chu Yao-hua by the Headquarters of the President of the Military Affairs Commission at Wuchang. Leading 200 outlaws of the 5th "Red" regiment, the bandit leader was killed in action at Nanping, north-western Kiangsi. He was identified by the badges found in his pocket and by the captives.

THREE RED LEADERS IN FUKIEN KILLED

Three "Red" chiefs, Lung Teng-yun, so-called Commander of the Fukien Military Area, Wan Yung-cheng, member of the "Red" Central Committee, and Wu Chu-yung, Commander of the 2nd "Red" Column, were killed during an encounter at Luehkow near Changting, western Fukien, on the 11th. Chang Yung-ho, Head of the "Red" Publicity Department, and scores of outlaws were captured in addition to the seizure of 10 pistols and 30 rifles.

KIANGSI TO CONSTRUCT HALL FOR GENERAL CHIANG

The People's Anti-Communist Association at Nanchang has decided to contribute a sum of $100,000 for the construction of a large hall to be dedicated to General Chiang Kai-shek for his efforts in bringing about the complete suppression of the Red menace in Kiangsi.

SINO-BRITISH BOUNDARY COMMISSION FOR YUNNAN-BURMA BORDER FORMED

With reference to the long outstanding boundary dispute at Panghung on the Yunnan-Burma border, the Ministry of Foreign Affairs announced on April 17 that as a result of notes exchanged on April 9th between the Foreign Minister and Sir Alexander Cadogan, British Minister to China, a joint Boundary Commission will be established to investigate into the matter.

Accordng to the first notes exchanged, the Commission is to be copmosed of five Commissioners, two each to be appointed by the Chinese and British Governments respectively while a neutral commissioner is to be appointed by the President of the Council of the League of Nations. The neutral Commissioner will act as the Chairman and will have a casting vote in cases where the opinion of the other Commissioners should be evenly Divided.

The question of any modifications in the present position in the light of the Report of the Commission on that of such topographical, historical or political factors as may appear relevant is provided for in an additional understanding reached in a second set of notes exchanged on the same day. A conference if necessary will be convened at Nanking between the representatives of the Chinese and British Governments, including representatives of Yunnan and Burma, to negotiate the question and the results of the Report of the Commission and of any such subsequent negotiations will be embodied in a new Agreement, pending the conclusion of which the Governments concerned will reserve the position they have heretofore respectively maintained.

GENERAL CHEN CHI-TANG NOW SUPREME IN KWANGTUNG

With his assumption on April 18 of the post of Commander of the Kwangtung Naval Forces, General Chen Chi-tang is now Commander of the triple Kwangtung Land, Naval and Air Forces. Rear-Admirals Chang Hsi-yuan and Chang Chih-ying, incumbent Commanders respectively of the Kwangtung Naval Squadron and Kwangtung River Patrol Flotilla, have been made Deputy Commanders of the Kwangtung naval Forces. Before assumption of his new post, General Chen summoned Rear-Admirals Chiang and Chang for a conference, in the course of which he explained the necessity of merging the Kwangtung Naval Squadron with the Kwangtung River Patral Flotilla, and advised them to sink personal differences and work unitedly for the common good. Since the naval trouble last month, General Chen had been quietly making preparations for the reorganization of the Kwangtung naval forces. By his action, all naval vessels will be under his centralized command.

FORMER 19TH ROUTE ARMY CHIEF RETURNING TO CANTON

General Tsai Ting-kai, former Commander of the 19th Route Army, who returned to Hongkong April 19 from the Philippine Islands aboard the S. S. President Coolidge, will leave for Canton in a few days for a visit.

CANTON EXPECTS TO BE SHANGHAI RIVAL

Canton, within the next two or three years, is expected by local civic leaders to rank second to Shanghai as a great commercial center. This transformation of Canton is expected to be brought about by the completion of the Canton-Hankow railway line and direct radio telephone service between Canton and Shanghai. The railway line will probably be completed by the end of next year, while the telephone service will come into operation during next October.

Prospects for both trade and industrial developments in Canton are regarded as very bright and leading Chinese business and financial houses in Shanghai and North China are planning to extend their activities to the South in anticipation of the expected boom.

8TH ANNIVERSARY OF FOUNDING OF NATIONAL GOVERNMENT COMMEMORATED

The 8th anniversary of the establishment of the National Government at Nanking was commemorated at National Government House on April 18. The service was attended by over 800 Government officials, including Presidents Lin Sen, Chu Cheng, Yu Yu-jen, Tai Chi-tao, Ministers Chen Shao-kuan, Chu Chia-hua, Generals Chen Tiao-yuan, Tang Sheng-chih, Dr. Chu Min-i, and Mayor Ma Chao-chun.

President Wang Ching-wei, accompanied by Madame Wang and Dr. Chu Min-i, Secretary-General of the Executive Yuan, arrived at Hangchow April 20 from Nanking by airplane. Immediately after his arrival, President Wang proceeded to the Provincial Government House, where he addressed the Conference of Chekiang Provincial District Magistrates now in session at Hangchow. In the course of his address, President Wang said that during the existing period of national emergency, all responsible officials must participate actively in the work of national salvation and preservation. At the same time, they must keep abreast of the times and familiarize themselves with conditions both at home and abroad. In the afternoon, President Wang conferred with General Huang Fu, Chairman df the Peiping Political Affairs Commission. It is understood that the general situation in North China was discussed. At 5 p.m. President Wang returned to the Capital by airplane.

GENERAL HO YIN-CHING SAID COMING TO NANKING EARLY IN MAY

General Ho Yin ching, Minister of war, who has been absent from the Capital in the North for the past 6 months owing to his duties there as Chairman of the Peiping Branch of the Military Affairs Commission, is coming to Nanking for a visit early in May, according to information from the Ministry of War. Owing to his long absence, a mass of routine business has been accumulated pressing for his attention.

Japan Forces Renewal of Concession at Hangchow for Another 30 Years

BY C. Y. W. MENG (孟長泳)

IN 1895, China was not merely defeated but was humbled by Japan. By the Treaty of Shimonseki, Japan was not only to enjoy the many privileges and rights which China granted to the western powers, such as the extraterritorial privileges, the most favored nation clause, etc., but Japan was also to enjoy the right "to carry on trade, industries and manufactures at any of the treaty ports",—a right which China rejected previously and a right which other treaties did not provide. In addition, four "interior" cities were to be added to the list of treaty ports.—Shasi and Chungking on the Yangtsze, and Soochow and Hangchow on the Grand Canal—and the direct waterways leading to them were to be opened to traffic.

Origin of Japanese Concession in Hangchow

Article VI of the Treaty of Skimonseki reads in part as follows:—

"China makes, in addition, the following concessions, to take effect six months after the date of the present Act:—

"First—The following cities, towns, and ports in addition to those already opened, shall be opened to the trade, residence, industries, and manufactures of Japanese subjects, under the same conditions and with the same privileges and facilities as exist at the present open cities, towns, and ports of China: 1. Shashih, in the Province of Hupeh; 2. Chungking, in the Province of Szechuen; 3. Soochow, in the Province of Kiangsu; and, 4. Hangchow, in the Province of Chekiang."

Article I of the "Land Regulations of the Japanese Concession in Hangchow" of 1896 (杭州日本商民居留地章程) provides:—

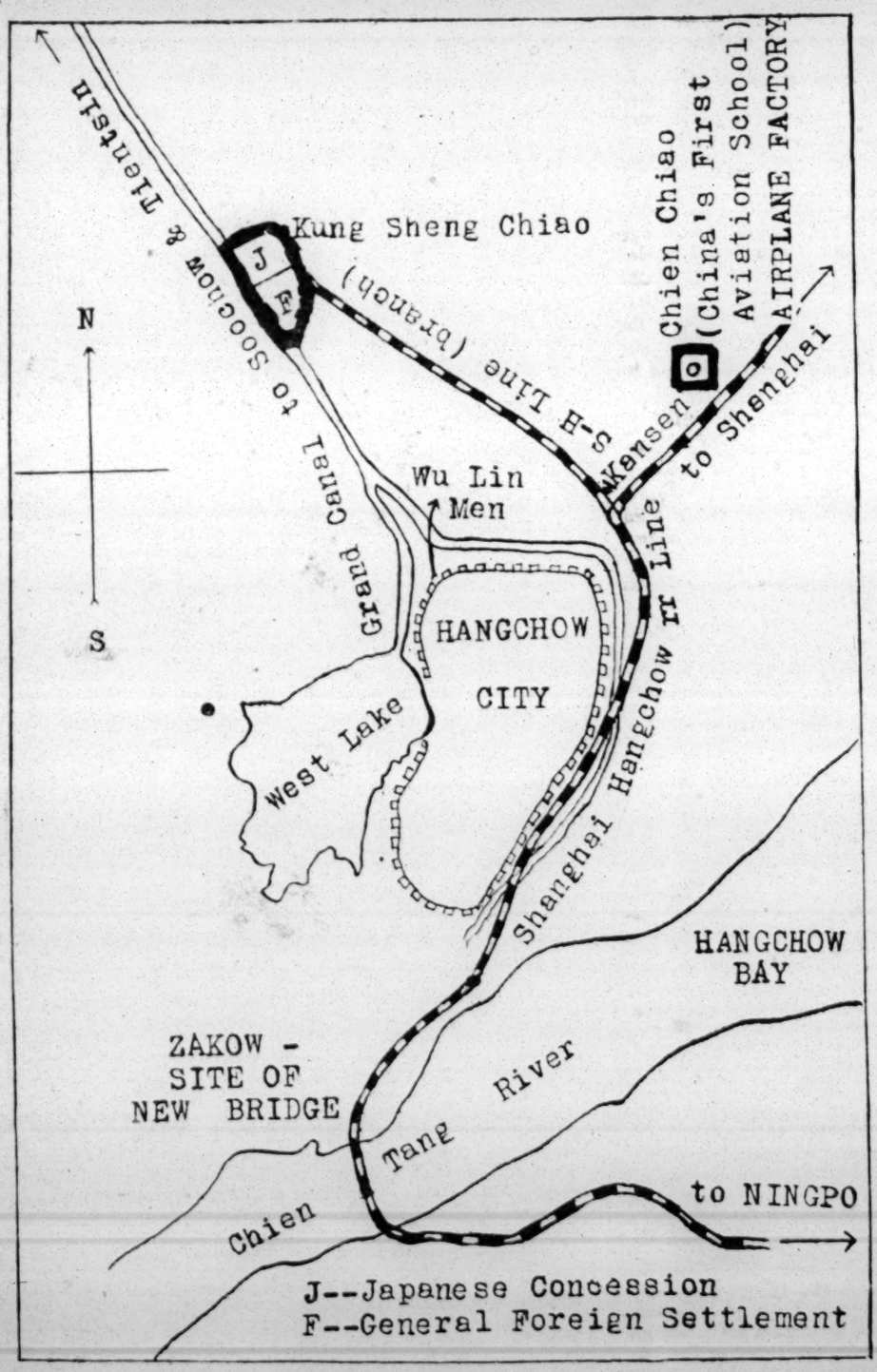
"The area outside Wu Lin Men (武林門), Hangchow, situated to the north of Kung Sheng Chiao (拱宸橋), stretching along the eastern bank of the Grand Canal from Chang Kung Chiao (拱宸橋) to Kung Sheng Chiao (長公橋), having been made a General Foreign Settlement, a Japanese Concession is now fixed upon within this area. Two plans have been made and one of each deposited with the local Chinese authorities and the Japanese Consulate, the said plans showing sites which may be leased by Japanese merchants." (Translated by the writer).

So today, we see that about four miles from the Hangchow City Wall, there exists a Japanese concession on the eastern bank of the famous Grand Canal. (See the map.) Let it be pointed out that before the S-H-N (Shanghai, Hangchow and Ningpo) Railway was constructed, the Grand Canal formed an easy and the only means of communication between the north and central China, and between Shanghai and Hangchow; and, therefore, the districts along the both banks of the Grand Canal were of great value and importance.

Lease Has Expired Already

Article 7 of the above mentioned "Land Regulations" provides:—

"All leases are limited to a period of thirty years, at the end of which new title-deeds are to be taken out and the leases renewed. If



Map of Hangchow and Vicinity

the Settlement has grown into a prosperous business area at the end of the thirty-year period and the Chinese authorities decide to increase the tax, such increase should be made after due consultation with Japanese consular officials and on the basis of the prevailing rent. The procedure of renewing title-deeds shall be repeated after every third year. Leases shall be cancelled if the lessees fail to report to the authorities at the expiration of the leases. In years calling for change of title-deeds new title-deeds shall be made out and the leases renewed without the lessees having to pay additional ground rent, and the officials of the two Governments concerned shall not make any obstructions damaging to the interests of the lessees. In case of extraordinary circumstances rendering it impossible for lessees to apply for new title-deeds, such application shall be made when normal conditions have been restored." (Translated by the writer).

That is, the lease must have expired sometime last year.

Renewal for Another 30 Years— Japanese Demands!

But according to the report—which was now been confirmed —"The Japanese Concession in Hangchow will be renewed for another 30 years, in accordance with a decision reached today by the Government." (See *Reuters'* report from Nanking dated April 3.) We are further reliably informed that the renewal of the concession lease was due to the Japanese repeated demands, and that the Chinese authorities could not help but agree to the renewal!

Contrary to the Nationalist Policy

On July 7, 1928, the Ministry of Foreign Affairs of the National Government of the Republic of China made a "Declaration" on the conclusion of new Treaties with the powers. After pointing out that "the abrogation of all the 'unequal treaties' and the conclusion of new Treaties on the basis of equality and mutual respect for territorial sovereignty was the most pressing problem at the present, time," the National Government declared in part that :—

"(1) All the unequal treaties between the Republic of China and other countries, which have already expired, shall be ipso facto abrogated, and new Treaties shall be concluded.

"(2) The National Government will immediately take steps to terminate, in accordance with proper procedure those unequal Treaties which have not yet expired, and conclude new Treaties.

"(3) In the case of old Treaties which have already expired, but which have not yet been replaced by new Treaties, the National Government will promulgate appropriate interim regulations to meet the exigencies of such situation."

It will therefore, be seen that the renewal of the Japanese concession in Hangchow for another 30 years is tantamount to the renewal of an "unequal treaty" which provides for many "special privileges and rights" for foreign nationals in China, which are contained in treaties which were concluded between China and the foreign powers about half or a quarter of a century ago; and which the Nationalists have avowed to abrogate! Needless for us to discuss and point out that the Nanking action is contrary to both the letter and spirit of the famous "July Declaration!"

The First Foreign Concession Renewed Under the Nationalist Regime!

There are many "foreign concessions", "leased territories", "foreign settlements", etc., in China. But since the establishment of the National Government in 1926 in Nanking, the Chinese policy has been to take back the foreign concessions, etc., one after the other.

By the Chen-O'Malley Agreement of February 19, 1927, "the British Municipality (in Hankow) will thereupon be dissolved, and the Administration of the Concession will be formally handed over to the new Chinese Muincipality". Despite the "protests" from the British residents in China on the ground of the complete absence of "satisfactory guarantee", the control of the area was formally transfered to the National Government on March 15, and is now known as "Special Administrative District No. 3" in Hankow.

By the Chen-O'Malley Agreement of March 2, 1927, "His Majesty's Government will cancel the British Municipal Regulations, and hand over unconditionally the administration of the concession area at Kiukiang to the National Government, as of March 15 next".

By the Sino-Belgian Agreement of August 31, 1929, and ratifications exchanged on February 18, 1931, the Belgian concession in Tientsin was formally handed over to the Chinese municipality.

By the exchanges of Notes between Dr. C. T. Wang, the then Minister of Foreign Affairs, and A. F. Aveling, on behalf of the British Minister, the British Concession at Chinkiang, granted to Britain by virtue of the Sino-British Treaty of Tientsin of 1858, was officially handed over to the Chinese on November 15, 1929.

By the Wang-Lampson (Dr. C. T. Wang and Sir Miles Lampson) Agreement of April 18, 1930, Britain agreed that "the territory of Weihaiwei, leased by China to His Britannic Majesty under the Convention of the 1st July, 1898, shall be restored in full sovereignty to China".

It is recalled that at the Washington Conference, the British Government announced its intention of restoring the territory of Weihaiwei to China, and that a Rendition Agreement had been already for signature since 1924. The French Government also announced at the Conference its intention of restoring Kwangchowwan to China "when the British Government do so with the territory of Weihaiwei". But the fact that the Chinese diplomats did not demand of the French Government to fulfill her promise, and to press on for the restoration of Kwangchowwan to China, after the restoration of Weihaiwei to China, has been a great disappointment to the Chinese historians!

By the Wang-Lampson Exchange of Notes on September 17, 1930, "the documents of title to the lots of land in the said area in Amoy issued by His Majesty's Government in the United Kingdom to the nationals other than the Chinese will be exchanged for Chinese deeds of perpetual lease, a registration fee of $1 per mow being charged, and that the said concession will cease to exist...".

In other words, since 1927, there was opened a new era in Chinese diplomacy marked by the "return" of foreign concessions, etc., from the foreign administration to the control of their "mother country." But the renewal of the Japanese concession in Hangchow for another 30 years at the request of the Japanese is the "first foreign concession in China ever renewed under the Nationalist regime!" Nanking has again done something which leaves another big black spot in the history of Chinese diplomacy!

But the incident also presents another opportunity for China to take back another foreign concession. Nanking should demand and insist on the restoration of the Hangchow concession. To us, there should be no difficulty; it should be far easier than the rendition of the British Concession in Hankow, the Territory of Weihaiwei, etc.

Strategical Importance of the Province of Chekiang

The construction of the S-H-N Line and Tien-Pu (Tientsin and Pukow) Line might have mininized the importance of the Grand Canal, and also the territory on the bank of the Canal. But the construction of the net-work-like highways and railways in Chekiang has also increased the strategic importance of the Province. By the construction and completion of the "8-Province Highway" (See Highway Map of the Provinces of Kiangsu, Chekiang, Anhwei, Hupeh, Hunan, Honan and Fukien, published by Bureau of Roads, National Economic Council of China), Chekiang is in close communication with neighboring provinces, and also the National Capital by convenient means of communications.

It is to be remembered that during the Sino-Japanese "Undeclared war" in Shanghai, when the Chinese reenforcements from the north were unable to cross Pukow due to the presence of the Japanese gunboats, the only way for the Chinese reenforcements to reach Shanghai was by the route of Kiangsi-Chekiang. But at that time the highway had not yet been completed, so it took a month for the Chinese reenforcements to reach Shanghai—when it was apparently too late to save the situation. We are further reminded that both Great Britain, after the Opium War with China in 1842, and Belgium, after the "scramble of Concessions" in China in 1898, made repeated attempts to wrest some territorial concessions in Chekiang, apparently in view of the geographical location and importance of the Province. At present, China's first military aviation school is also situated in the Province. (See the Map.)

Apparently, it is due to the growing strategic importance of the Province that has caused the Japanese to be most unwilling to hand over the concession to China when the lease had expired, and when other powers are returning their concessions to China; and the same reason must have animated the Japanese to demand renewal of the concession in Hangchow. This instance together with the Japanese intention, determination and efforts to hold and make the Hongkew Section of the International Settlement in Shanghai a Japanese concession—as witnessed by the construction of two million dollars worth of fortifications—indicates more clearly than anything else the Japanese "territorial designs" in China!"

"A Dangerous Precedent"

By yielding to Japanese demands, Nanking is merely setting up another obstacle to the further rendition of the foreign concessions in China, and is merely creating a "dangerous precedent"! The Japanese concession in Soochow, which also is due to expire soon, is likely to be renewed!

Nanking, April 19, 1935.

Japanese Reduce Interest on Nishihara Loans

RECENT Tokyo messages stated that the reduction of compounded interest, now in arrears, to the equivalent of the principal of each obligation will be agreed to by the Japanese Ministry of Finance's Department of Deposits in the readjustment of Chinese loans made by banking syndicates with Japanese Government funds, among which the most prominent are the so-called Nishihara loans. The Department will also agree to the allocation of yearly instalments to the redemption of the principal instead of that of the interest, thus reducing further interest payments. *Rengo* states that these methods have been widely adopted by Japanese industrialists who have made adjustments with the Nanking government for defaulted loans but have been shunned by the Government because they came in conflict with the regulation governing the operations of the Department of Deposits. Loans totalling more than Yen 100,000,000 have been adjusted by similar means since Dec. 12 last year when Rokuyo Takagi, vice-president of the Sino-Japanese Industrial Company concluded an agreement with the Nanking Government.

The so-called Nishihara loans were principally concluded with the Communications Department at Peking in 1918, when the political power was in the hands of the Anfu faction. The loans amounted to about Yen 300,000,000 and were ostensibly mostly to be used for the extension of railways and forestry in Manchuria and North China, but were as a matter of fact largely squandered or used to buy off political opponents; also used to oppose the Southern revolutionary movement in Canton. A history of these loans was printed in *The Review* of May 19 and May 26 last year.

Australia to Send Commercial Secretary to Japan

Dispatch of a Commissioner of Trade to Japan has been proposed by the Advisory Commission on Far Eastern Trade of the Australian Government, according to an official dispatch received in Tokyo, April 17, by the Foreign Office from Kuramatsu Murai, Consul-General in Sydney.

Yen 37,000,000,000 in Bonds and Shares Now Held in Japan

Debentures held in Japan on April 1 totalled approximately Yen 37,000,000,000, a survey by the Tokyo Stock Exchange, made public April 17 revealed. Shares accounted for Yen 18,967,000,000 and bonds for Yen 18,147,000,000, whereof Yen 7,864,000,000 were state issues, Yen 2,887,000,000 were local, and Yen 4,867,000,000 were company debentures. Foreign bonds amounted to Yen 3,329,000,000, according to the survey.

Royalty Attends Siamese Dance Troupe's Premiere

Prince Yasuhito Chichibu and Princess Chichibu headed a list of 700 Japanese royalty, nobility and notables who attended the Tokyo premiere of the Siamese Royal Dance Troupe in Tokyo April 16.

Government Seeks Support for Projected "Brain Trust," But Army Gives Warning

The Government on April 20 directly appealed to the Minseito party, through Mr. Chuji, Minister of Commerce and Industry and concurrently President of the party, to support the projected National Policy Council.

A high Army officer April 20 served warning on the Government that the military would not tolerate any attempts to utilize the National Policy Council, Japan's "brain trust", to strengthen the position of the Cabinet. The declaration, which was made by Major General Tetsuzan Nagata, Director of the Military Affairs Bureau of War Office, in an interview with Shigeru Yoshida, Secretary-General of the Cabinet, added the Army to the list of obstacles remaining to be overcome by Premier Keisuke Okada. Maj. Gen. Nagata informed Mr. Yoshida that the Army was taking a very serious view of the projected Council, and that the personnel of the body should be consistent with the importance of the task to be undertaken by the "brain trust".

The indications are that the Government intend to include five Army and Navy Officers on the Cabinet Bureau of National Policy Investigation. The Seiyukai party in the meantime remains adamant in its opposition to the Council.

Kyoto Professor, a Minobe Disciple, Is Suspended

The Kyoto University authorities have decided to suspend Professor Muneta Watanabe, lecturer in constitutional law. The authorities decided on the step because, an official of the University said, Dr. Watanabe's theories were in accord with Dr. Tatsukichi Minobe's thesis that the Emperor is not the State, but merely an Organ of the State. A member of the Faculty said that the decision to suspend the professor was stimulated by instructions on the subject issued by the Ministry of Education. Prof. Ushijiro Satoh of Tohoku University has been invited to take the chair vacated by Dr. Watanabe.

Yasuda Accepts Bank of Taiwan Post, Replaces Man Facing Bribery Charge

Jiro Yasuda, former vice-president of the Industrial Bank of Japan, April 20, accepted the post of governor of the semi-official Bank of Taiwan, which has been vacant since the resignation of Shigeru Shimada, who is under indictment on a charge of bribery. Mr. Shimada was indicted on Dec. 27 last year, with 15 other persons, including two Ministers of State, in connection with the scandal commonly known as the "Kuroda Affair"—which caused the downfall of the Saito Cabinet in July last year. The case had its origin in the disposition of rayon shares held by the Suzuki firm, which crashed in 1927.

American Firms Makes Huge Purchase of Anti-Bug Herbs

W. M. Hosken, president of W. M. Hosken and Co., New York, visited Japan last week in connection with intended importation of Japanese pyrethrum to the United States. Pyrethrum is the essential ingredient in anti-bug preparations. Hosken and Co. are also large distributors of cinchona bark and quinine. The Japanese newspapers stated that Mr. Hosken deposited $1,000,000 with the New York branch of the Bank of Taiwan in connection with the pyrethrum deal.

Japanese Iron and Steel Exports Exceed Imports

For the first time in the history of modern Japan, exports of steel and iron products last year exceeded imports. The Ministry of Finance reports that outgoing shipments were valued at Yen 125,523,000, whereas steel and iron articles to a value of only Yen 110,898,000 entered the country. Exports consisted mostly of automobile parts and accessories, electrical and textile machinery and railway equipment. These were mostly destined to the South Seas, India and Manchukuo.

Japan's foreign trade in the middle of April resulted in an unfavorable balance of Yen 10,932,000, with exports totalling Yen 74,157,000 and imports, Yen 35,089,000. The excess in imports since January was Yen 184,297,000.

Woman Doctor Appointed Head of Hot Springs Bureau

Dr. Misao Yashima, 26-year old woman physician, was appointed April 20 head of Japan's first hot springs advisory bureau, which will open in Tokyo Station, May 1.

Foreign Office Officials Discuss Manchukuo, Soviets and Australia

Discussions of Japan's relations with Manchukuo, Soviet Russia and Australia featured the fourth meeting April 19 of high Foreign Office officials, which lasted for four hours. Mr. Tani, Counsellor of the Japanese Embassy in Hsinking, reported on the latest political developments in Manchukuo, including Soviet-Manchukuo relations after the transfer of the North Manchuria (Chinese Eastern) Railway; Manchukuo's attitude towards the projected tri-partite commission for the settlement of border disputes with Russia and the new State's preparations for the proposed abolition of Japanese extraterritoriality. Later, Mr. Hirota, Foreign Minister, explained to the conferees the purpose of the goodwill mission to Australia that will be carried by Katsuji Debuchi, former Ambassador to America, who will leave Japan in May. Measures for the maintenance of markets for Japanese products in India, the Near East and the South Seas were also discussed.

Japanese Trade Council Discusses Discrimination

Measures designed to combat foreign discrimination against Japanese goods are being discussed at the fifth annual general meeting of the Trade Council now in session in Tokyo. A basic readjustment of Japan's commercial relations with other nations and the expansion of the Gaimusho Bureau of Commercial Affairs is also to be discussed.

Measures to be taken by Japan in case the European "gold bloc" collapses were discussed at a joint meeting of bankers and government officials held in Tokyo this week. The meeting was sponsored by Korekiyo Takahashi, finance minister, who last year advocated the holding of similar gatherings regularly.

Japanese Government Approves of Yarn Export Group

The Japanese Government April 20 officially sanctioned the organization of the Association of Cotton Yarn and Piecegoods Exporters to South and Central America, which will be charged with the task of controlling the exports of cotton goods to those areas. The Association will have its offices in Osaka, Kobe and Yokohama, where exporters will be able to obtain export licenses. The Association will also seek to promote Japan's trade in cotton goods in the South American markets.

Million-Yen Fine Demanded for French-Syrian Smuggler

Imposition of a Yen 1,653,141.66 fine on Nure Tecla, a Syrian jeweler, who was arrested by the Kobe Water Police in September last year, was demanded April 22 by the prosecution in the Tokyo District Court. Tecla, who claims French citizenship, is alleged to have connived with Japanese at smuggling precious stones into Japan. He was arrested while out on bail following an indictment on a similar count earlier in 1934.

Leading Tokyo Journal Strongly Criticizes American Manufacturers

Efforts made by certain American manufacturing interests to exclude Japanese goods from the United States were strongly criticized April 14 by the Tokyo *Jiji*. "Notwithstanding efforts made by our businessmen to placate America by controlling the amount and the prices of the exported goods, the United States do not slacken their pressure upon our products," the editorial said.

Tokonami Cleared of Suspicion in Alleged "Bribe Case"

Takejiro Tokonami, Minister of Communications, was cleared April 22 of having directly received a Yen 500,000 bribe from Marshal Chang Hsueh-liang in Mukden in 1929, allegedly in return for a promise to influence the policy of the Japanese Government towards China. The vindication of Mr. Tokonami's name was seen by political circles as the result of an extended examination of Kazubumi Tsuruoka, former member of the Lower Chamber, by the Procurators' Office of the Tokyo District Court. The examination was conducted in connection with the trial of Naoki Nojima, ex-gendarme Sergeant-Major, on the charge of having violated the publication law by issuing a pamphlet accusing Mr. Tokonami of having been bribed by the Chinese general. Mr. Tokonami persistently maintained that the attacks on his personal integrity concocted by the Seiyukai members of the Lower Chamber were false and aimed to embarrass the Government. The attackers used the ex-gendarme's pamphlet as the basis of their accusations.

Dutch-Japanese Parleys to Be Reopened

The reopening of two adjourned conferences—one between the Netherlands East Indian and Japanese Governments, the other between the shipowners of the two countries—was agreed upon at a meeting in Tokyo April 18 of Dr. G.H.C. Hurt, Director of the Economic Affairs Bureau of the Netherlands East Indies, and Koki Hirota, Japanese Foreign Minister.

Enforcement on May 1 of regulations providing for supervison by the Government of the Netherlands Indies over all forms of communications is reported in an official message received recently by the Tokyo Foreign Office from the Japanese Consul-General in Batavia. The measure extends to postal, telegraph and telephone communications and transportation, and aims to suppress illegal communication between the population of the N.E.I. and foreigners.

Alleged Descent from Monkeys Disturbs Japanese Deputy

A Tokyo despatch to the *Chicago Tribune* March 23 quoted Deputy Mukami of the Seiyukai party as saying that it is an insult to the Japanese to insinuate that they had descended from monkeys. The remark was made in connection with the submission of a motion to forbid the teaching of Darwin's theory of evolution in all schools. The statement was made in connection with a dispute regarding the constitution, which arose as a result of charges instituted against Dr. Tatsukichi Minobe, an upper house member, who claimed the emperor is an institution and not a god as far as the law is concerned.

Many deputies supported Mikami. They argued that inasmuch as the emperor is the son of heaven and all Japanese are members of his family, they also are direct descendants of heaven and not of monkeys. Mikami also objected to the teaching of the theory that the Japanese came from the South Seas. Genji Matsuda, minister of education, in a reply said he did not know such theories were being taught, and he promised to investigate.

Japanese Engineers Rapidly Remold Old C. E. R. Railway

Promptly following the taking over of the Chinese Eastern Railway from the Soviet authorities, the Manchukuo administration is rapidly remolding the line after the pattern of the South Manchuria Railway, and standardizing the gauge of the southern section of the railway so that direct connections may be made with the South Manchuria Railway. A special commission is reported to have already been appointed, entirely composed of Japanese engineers, to supervise the work of standardization. All the requisite supplies for the change are ready and the actual work is expected to start soon and be completed in a short time.

C.E.R. Now Purchases Materials in Japan

Business circles in Harbin will be seriously adversely affected by the new purchasing policy of the present management of the Chinese Eastern Railway, reports from that city reveal. A decision was stated to have been made by the new administration of the railway to order all the principal materials required by the railway from firms in Japan instead of from Chinese suppliers in Harbin as hitherto has been the practice.

Mr. Yureneff, Soviet Ambassador, informed Mr. Hirota, Foreign Minister, April 19 when that he would visit the Kwansai district for one week to investigate Japanese products that may be purchased by Manchukuo for shipment to Russia in part payment of the purchase price of the North Manchuria (Chinese Eastern) Railway.

Manchukuo to Inquire Into C.E.R. Retiring Allowances Payments

Alleging that prior to the transfer of the Chinese Eastern Railway the Soviet Administration of the Railway had illegally paid retiring allowances to the Soviet employees in excess of about $300,000, the Manchukuo authorities are reported to have formed a special commission of inquiry to look into the validity of such payments. It is stated that all such disbursements will not be recognized and will be deducted from the sale price of the railway.

S. M. R. Needs Yen 340,000,000 for Construction of New Lines

The *Japan Advertiser* of April 12 called attention to the fact that the South Manchuria Railway Company must raise Yen 340,000,000 in three years, commencing the present fiscal year, for construction of new railways and the improvement of railway lines entrusted to it by the Manchukuo Government for control and management. According to its articles of association, the company is able to float debentures to an extent of twice its paid-up capitalization and not exceeding its authorized capitalization. This leaves room for only Yen 262,000,000, and considering this, the company's directors are thinking of revising the Articles of Association so that the company can issue debentures to an extent of a combined total of capitalization and undivided profit. The matter is subject to the Government. If approved, the company would be able now to issue Yen 220,000,000 more, because its legal and other reserves combined total that amount.

Oil Monoply May Be Only Forerunner, U. S. Protest Says

The United States April 18 filed another protest with Japan against the Manchukuo oil monopoly. Administration circles emphasized stongly that the repeated American protests contesting the right of Manchukuo to establish such a monopoly rest upon a much broader base than merely the American intesest in oil sales in the Orient. The United States feels, it was indicated in Washington, that a vital principle is involved which may exert a profound effect upon relations in the Pacific. If Manchukuo is permitted to establish an oil monopoly, it is felt, similar monopolies may later be established with regard to other products and this policy ultimately may be carried to such lengths that there may be no free trade left in Manchuria.

A message from Tokyo April 19, stated that the Japanese Government regards the Manchukuo oil question, on which it has received strong protests from Great Britain and the United States, as "liquidated." Foreign Minister Hirota informed the British and American Ambassadors, orally, that Japan's position concerning the conferment by the Manchukuo Government of an oil sales monopoly on a Japanese-controlled company has already been defined in Japan's previous replies to representations on the matter.

Fushun Oil to Be Sold Through New Company in Shanghai

Japanese merchants in Shanghai have organized the Ying Hwa Company to market the petroleum produced at Fushun to undersell the American, British and Russian products in Shanghai. While the uniform price of the three firms is $7.20 per case, the Ying Hwa Company will offer their products at $7, with special discounts for retail business. The *Sin Wan Pao* says the British, American and Soviet oil firms are carefully watching the situation.

The *Jiji* states that the foreign oil companies are "adjusting" their stock as the result of the monopoly, but will not withdraw from Manchuria.

Oil Refinery to Be Built in Chosen

Organization of an oil concern, capitalized at Yen 10,000,000 before the end of next month been decided by a group of financiers headed by Keizaburo Hashimoto, President of the Japan Oil Company. A refining plant to cost about Yen 15,000,000 will be built by the concern near Genzan. The plant will refine lamp-oil, and light and heavy oils, all of which will be entirely for Chosen consumption.

Japanese Army Finds "Error" in Saghalien Boundary Line

The *Tokyo Jiji* of April 19 stated that an error had been found in surveying the national border separating the Japanese and Russian half of Saghalien Island. It is alleged that the Soviet territory is extended about two kilometers into Japanesee territory due to a surveying error, which was discovered as the result of a more scientific survey recently conducted by the Japanese Army. The *Jiji* commented that it would be interesting to see what attitude Japan would take towards Russia regarding the matter.

Nanking to Hold Child Health Contest

A total of 1,095 children in the capital have registered their names for participation in the Child Health Contest scheduled to be held on May 12 under the auspices of the Public Health Bureau. A physical examination of the participating children will be held from April 25 to 30 for the carrying out of which two doctors and eight nurses have been assigned. Beautiful prizes are awaiting the winners, already many of which have been donated by various government and private organs and individuals.

Japanese to Build Three New Railways in Manchuria

Construction of three new railways in Manchuria is being projected by the Japanese military authorities. One line will be laid from Changchun to Chengteh (capital of Jehol), the second line will be from Changchun to Ilan, while the third line will run from Changchun to the Hingan Range.

S.M.R. to Manage Proposed Chemical Plants

The Special Service Division of the Kwantung Army has decided to entrust the management of two projected chemical industry firms in Manchukuo to the South Manchuria Railway Company. *Rengo* states that indifference on the part of Japanese financiers to the plans of the Kwantung Army to found the Manchuria Soda Industry Company and the Manchurian Salt Manufacturing Company, formulated more than a year ago, has led the officers to direct Kakichi Takeuchi, economic advisor to the division, to organize the firms and let the S.M.R. Company manage them to the exclusion of other interests.

Hydro-Electric Stations Planned Along the Sungari River

An ambitious plan to harness the river power of Manchuria is being considered by the Manchukuo government. A committee of 15 government engineers recommends as the first step the construction of five hydroelectric stations, capable of developing a total power of 80,000 kilowatts, along the lower reaches of the Sungari River.

Income of Manchukuo Railways Sets Record

A record income of $84,000,000 was earned by the General Direction of the State Railways of Manchukuo during the 1934-35 fiscal year. Of this amount $75,000,000 represented the earnings of the railways, showing an increase of $20,000,000 over the preceding year. The receipts of the bus lines and water transportation systems operated by the General Direction amounted during the year to $9,000,000.

Sheep Farming Is Planned for Manchukuo Province

The Mongolian Affairs Bureau of the Manchukuo Government has decided upon a program of sheep breeding in Hsingan province., A concern to be known as the Inner Mongolia Sheep Breeding Co-operative Society will be established with a capitalization of Yen 28,000. With this fund 3,000 sheep will be imported from Chahar Province, China, and will be reared by two of the Hsingan Provincial Banner Leagues specially nominated by the Government.

Manchukuo Electric Company to Float Debentures

Flotation of debentures in Japan to the value of Yen 10,000,000 to raise funds for new enterprises has been decided upon by the Board of Directors of the Manchuria Electric Light Industry Company.

Manchukuo to Have Seven Model Schools

Establishment of seven model schools in as many cities under the direct supervision of the Ministry of Education was decided on by the Government officials in Changchun April 20.

Franco-Japanese Joint Investment Concern to Be Formed in Dairen

Negotiations for the establishment of the Franco-Japanese East Asia Enterprise Company, an investment concern, are in progress between the South Manchuria Railway Company and representatives of an unnamed French syndicate. As soon as a permit is obtained from the Manchukuo Government, an office of the company will be opened in Dairen.

Lead Mining Company to Be Founded by S.M.R.

The South Manchuria Railway Company April 16 announced the establishment of the Manchuria Lead Mining Company with a capital of Yen 4,000,000. The deposits had hitherto been exploited by the Japan-Manchukuo Mining Company, a firm capitalized at Yen 5,000,000, which is also interested in the extraction of other minerals. The Kangchuangtzu ore is known for its large content of lead, some samples assaying at 78.18 percent pure lead.

Big Future for Soya Bean Cake Seen by American Miller

William H. Danforth, founder and now chairman of the board of the Ralston Purina Company, operators of feed mills throughout the south and southwestern United States, while passing through Mukden to a home in St. Louis, Mo., April 18 stated that his company had purchased 3,000 tons of Manchurian bean cake last year and mixed it experimentally with flour to produce a cattle feed. Tests carried out at St. Louis showed it had a great nutritive value, but it would be necessary to evolve a processing method that will prevent bean cake from deteriorating while in transit, he added.

British Duty on Soya Beans Criticized by London Financial Paper

The duty on soya beans proposed under the British budget is severely criticized by the London *Financial News*. It says the seed crushers at Hull are apparently to be penalized for the apparent, but not certain, benefit of West African producers.

Twenty-nine Manchukuo Officers Arrive in Japan

A party of Manchukuo Army officers, headed by Lieutenant General Wang Yung-ching, Commander of the Chengteh, Jehol, District, arrived in Kobe, April 16, from Dairen on a three-week tour of inspection. The group includes one lieutenant-general, six major-generals, 13 colonels, three lieutenant-colonels and six majors, who were selected by the Manchukuo Department of Military Affairs.

Pu Yi Donates Yen 150,000 to Relief Works in Japan

Pu Yi, the "Emperor of Manchukuo," while on this visit to Japan, donated Yen 150,000 for the encouragement of relief and social works in Tokyo, Premier Okada reported to the regular Cabinet meeting April 16.

Japanese Say De Facto Recognition of Manchukuo Was Given by Dominican Republic

Discussion of what constitutes *de facto* recognition was revived in Tokyo, Apr. 19 by publication of press dispatches representing the Manchukuo Foreign Office as being convinced that the Dominican Republic recognized Manchukuo because of an exchange of personal notes between the heads of the two states. President Truijillo of the Dominican Republic last August sent a letter to the Emperor of Manchukuo saying that he desired to promote friendly relations between the two countries. To this Pu Yi replied with an autographed letter thanking President Trujillo for his good wishes.

500 Soviet Railwaymen and Families Relinquish Citizenship in Harbin

Five hundred Soviet citizens, formerly, employed by the North Manchuria (Chinese Eastern) Railway, and members of their families formally registered in Harbin April 17 as emigres by the local Manchukuo authorities.

Volunteers Again Active in Manchuria

Upwards of 200 volunteers had a severe encounter with the Japanese troops April 3 when the former were staging an enveloping attack on a gold mine near Huantien in southern Kirin, according to a belated report received from Harbin. The Japanese forces were reported to have suffered heavy casualties.

Two Manchukuo Towns Are Attacked by Bandits

Chouchiaying, a small station on the eastern line of the North Manchuria Railway, was attacked and occupied by a group of 300 bandits April 7. Three Japanese were wounded in the battle, which held up an international train bound for Harbin for three hours. One hundred Manchukuo bandits attacked the town of Sanchaho on the Hsinking-Harbin line, on April 6. Sub-lieutenant Nozaki, Japanese, in service for the Manchukuo Garrison, was shot through the left arm while his forces were fighting against the bandits. Japanese and Manchukuo re-enforcements were sent to the spot inmediately from Harbin and Taolaichao.

Japanese Officer Killed by Bandits Near Tungninghsien

Captain Ryuichi Sasashika, a Japanese military instructor in the Manchukuo service, was killed in action on April 8, while directing an attack on a group of armed bandits in the vicinity of Tungninghsien, Pingkian Province.

Arrest of 110 Plotters in Manchukuo Revealed When Press Ban Is Lifted

A round-up of 110 communists and members of anti-Japanese and anti-Manchukuo terrorist societies was revealed in Kirin April 22 with the lifting of a press ban. The arrests of the plotters, who specialized in derailing trains and attacking passengers, were made by Japanese gendarmerie within three weeks, March 3 to 24, according to Major Jiro Ando, Commander of the Japanese gendarmerie in said city. It is alleged that most of the arrested persons were in the service of the Manchukuo Railway Administration, and belonged to the Chinese Communist Party. Others belonged to a communist-led Farmers's Party and to a terrorist group headed by a Korean woman, Boku Kansen. The arrest of the communists is stated to have nipped in the bud their plans to launch a campaign of assassination of Japanese and Manchukuo officials, taking advantage of the kaoliang season. The plotters operated largely on the Kirin-Hailun Railway.

Volunteers Clash with White Russians

Belated reports from North Manchuria stated that on April 15 a serious battle broke out near Weishanho on the eastern route of the Chinese Eastern Railway, between a group of Chinese volunteers and White Russian guards of the Railway. Several casualties on the part of the Russian guards were reported during the engagement. The volunteers were, however, later dispersed.

Henry Pu Yi Returns to Manchuria

Pu Yi, the so-called Emperor of Manchuria, after being feted in Tokyo and Kyoto, proceeded to Osaka were he stopped briefly April 21 to attend a civic welcoming celebration staged at the Public Hall. He arrived there from Nara in the morning by train to be present at the ceremony, after which he continued his journey to the Euko Detached Palace in Suma, outside Kobe. The Manchukuo "sovereign," who arrived in Yokohama April 6, sailed from Kobe April 23 for Dairen, thereby completing (in the words of *Rengo*) "the first state visit of a ruling monarch to Japan."

China's Monetary Crisis and Measures for Its Relief

BY PAUL K. WHANG (汪仲芳)

THE American Government has raised the price of newly mined silver purchased by the Treasury from 64.5 cents an ounce to 71. In spite of the protests and appeals of the Chinese Government, the present American Administration has vigorously and relentlessly pursued its silver-purchase policy, and, for political reasons, followed the dictates of a formidable bloc representing the "silver states". Whether the intention really is to force the price up to $1.29 an ounce as the silver interests ardently advocate, can not be told; but that the American Government has no mind whatsoever to modify its silver-purchase program is a matter of certainty. So long as the American policy remains unchanged, so long the silver price will continuously soar up, and so long China's monetary difficulty can not be solved.

It is, of course, unfair to attribute all our financial woes to the U.S. Silver Act which came into force last June, inasmuch as we have been long faced with an unfavorable balance of trade, which has necessitated the shipments of our gold and silver stocks to meet the international payments. But the fact that the endeavor to raise the silver price on the part of the American Government has accelerated the drain of our silver stocks can not be gainsaid. America has undoubtedly her right to do what she likes; but, being a traditional friend of China, she is at least expected to give some sympathetic consideration to the ill-effects of her act upon her friend. Moreover, the officials in Washington can not be totally oblivious of the fact that the export of the total available silver stocks of both China and India will not be sufficient for the purpose of establishing the gold and silver reserves of that country on a three-to-one basis.

China's financial position, it must be said, is not as desperate as the alarmists would make us believe. True, the drain of our silver stocks last year was heavy, but the loss, in accordance with the Bank of China Report for 1934, was said to be only one-sixth of the estimated circulation. What troubles us is the fact that we have lost our confidence in our currency and have entertained the fear that our money would be devalued. This fear has made our people maniac in hoarding the white metal. The gradual disappearance of silver from the market has inevitably shaken the foundation of our monetary structure and stopped the running of our credit machinery. As a result, dark clouds have been gathering thick over our financial horizon, portending the advent of a very bad storm which we have not experienced before. In this connection, T. V. Soong, new chairman of the Board of Directors of the Bank of China was quoted as saying, "Don't believe in ghosts. The more you believe there are ghosts, the more are the chances that you will visualize a ghost."

In this circumstance, it is only natural that many of our financial doctors should rake their brains in prescribing some remedies to cure our present financial ills. It has been suggested that by taking advantage of the U. S. Silver-purchase Policy, we should adopt the Gold Exchange Standard or the Gold Bullion Standard as advocated by Prof. Edwin Kemmerer. Without mentioning the difficulty, if not impossibility, of securing for us a big amount of gold, to change our standard from silver to gold proves already too complicated a task to undertake, in view of the fact that our note-issuance has not yet been centralized and our monetary system has not yet been made uniform. It must be remembered that the cause of our present ills lies in the unfavorable balance of international payments, and has nothing to do with our currency standard, be it either in silver or in gold. When the cause is not removed, gold just as in the case of silver will flow out of this country. Therefore this prescription, instead of being a cure to the ills, will only serve to cause further complications.

It has also been suggested that silver duty should be either decreased or abolished, so that with the restoration of the free movement of silver, the financial market can be stabilized of its own accord. The levy of silver duty is admitted not to be a fundamental measure, but the raise of silver-exporting point will give us a temporary relief. Now if we decrease or abolish the silver duty, while the balance of international payments remains unfavorable to us, how can we meet this unfavorable balance, if not through the shipments of silver? If we can not stop the outflow of silver, how can we stabilize our financial market? This free movement of silver can bring benefit to us, only if we can boost up the domestic silver price higher than that paid in the foreign silver markets through competitive purchase of silver with the American Government, so that the movement of silver can change its course towards us.

Of all the suggestions, the one made by Yue Kwei-zun, an authority on finance and economics, seems to be more practical and feasible to be applied to the present circumstance. The chief points of his suggestion are briefly as follows:

(1) A Joint Reserve Board should be formed among the local Chinese banks for the purpose of centralizing the note-issuance and safe-keeping the reserves against note-circulation. As a general rule, the note-issuance should be centralized in the hands of the Central Bank. But our Central Bank has not been established very long, and its notes circulated in the market are still small in quantity. If it should centralize the note-issuance at the present time, it is feared that a great disturbance will be caused to the market. In order to meet the present needs, it is advisable for us to follow the precedent set during the hectic days of the Shanghai War in 1932 by forming a Joint Reserve Board among the local Chinese banks to take control of note-issuance and reserves against note-circulation. The centralization of note-issuance and reserve-keeping will very much instill confidence into the public towards the issuing banks.

(2) Cash reserves against note-issuance should be gradually reduced to the limit of 30%. Our present regulation of 60% is really too high, and has made our currency an inflexible one; and in time of emergency, we have not the means to cope with the situation. If the note-issuance is centralized in the hands of the Board and the Board is well organized, the notes issued jointly will, of course, enjoy much higher credit than those issued by individual banks. When the banks can have the capacity of issuing more notes, the public can naturally secure more financial help, thereby relieving the present tight money market.

(3) The functions of the Foreign Exchange Market Stabilization Committee should be enlarged, so as to enable it to rationalize the foreign exchange business. All the Chinese banks engaging in foreign exchange business should join this Committee. At the time of joining, each bank should subscribe a part of its capital, which can be either in gold coins, or in gold bullion, gold bonds and reliable gold drafts. Among its functions, it should be authorized to adopt effective measures to balance the international payments and arrange an order for the settlement of import bills. In this regard, it is presumed that the importers must apply to the Committee for the settlement of their import bills.

(4) The equalization charge should be gradually increased until the maximum point of 100% is reached. It is admitted that a heavy silver duty will cause a great discrepancy between the domestic and foreign silver prices, thereby encouraging smuggling on a large scale, in spite of anti-smuggling measures. Moreover, a heavy silver duty will also give an impetus to the outflow of silver, thereby precipitating the runs on the banks. In order to prevent this evil consequence, we must first organize a Joint Reserve Board to strengthen our credit and position. Then we can restrict the redemption in silver to prevent the outflow of the white metal. When that time comes, we can increase the silver duty gradually up to 100%. When the silver duty reaches to such a high level, we shall not receive any ill-effects, even if the American Government should deem fit to raise the silver price to G$1.29 and ounce.

(5) At the time of emergency, it should be restricted that notes can be only redeemed in subsidiary coins, and international payments should be partically paid with mint bars. But in the inland places where notes are not circulated, at the time of buying agricultural produces, a limited amount of silver can be shipped in accordance with the regulations to be formulated the Joint Reserve Board, so as not to bring hardship upon the rural people.

The above measures as designed by Mr. Yue are only for the purpose of protecting our present position in face of the outflow of our silver stocks. The American Government is not likely to deviate from its set course, and therefore instead of cutting out a sorry figure by making appeals to our supposed friend, we had better adopt self-protecting measures to help ourselves. Help from outside is never so desirable as self-help. In the meantime, we must not forget that the fundamental cause of our financial ills lies in the unfavorable balance of trade, and we must give our attention to the removal of that cause, before a strong and healthy financial body can be developed.

CHINESE RAILWAYS

SHANGHAI-PEIPING THROUGH EXPRESS.
(Connected with N.S.L. Nos. 301 & 302)

TIME ARR.	TIME DEPT.	STATIONS	TIME ARR.	TIME DEPT.
20.45	21.25	PUKOW	1.20	1.40
16.54	16.57	LINHUAIKWAN	5.40	5.43
16.04	16.19	PENGPU	6.19	6.34
13.52	13.57	NANHSUCHOW	8.45	8.50
11.50	12.05	HSUCHOWFU	10.50	11.10
10.02	10.17	LINCHENG	13.00	13.15
9.13	9.16	TENGHSIEN	14.06	14.09
7.40	7.55	YENCHOWFU	15.36	15.56
7.15	7.18	CHUFOU	16.21	16.24
5.34	5.42	TAIANFU	18.05	18.20
3.25	3.45	TSINANFU	20.12	20.42
2.03	2.13	YUCHENGHSIEN	22.05	22.15
0.24	0.39	TECHOW	23.55	0.25
22.37	22.47	POTOUCHEN	2.12	2.22
21.36	21.46	TSANCHOW	3.16	3.29
18.30	18.40	TIENTSIN (C)	6.40	7.00
17.59	18.20	TIENTSIN (E)	7.10	7.35
—	15.05	PEIPING	10.29	—

PEIPING-HANKOW RAILWAY.

14.05	PEIPING	22.00
13.27	CHANGSINTIEN	22.48
9.54	PAOTUNG	2.23
5.50	SHIHCHIACHWANG	6.28
2.19	SHUNTEH	10.01
19.27	SINSIANG	16.45
16.43	CHENGCHOW	19.26
13.59	HSUCHOW	22.08
12.16	YENCHENG	23.51
9.58	CHUMATIEN	2.34
6.10	SINYANG	6.01
3.36	KWANGSHUI	8.36
22.45	KIANG AN	13.15
22.30	HANKOW (Tachimen)	13.25

PEIPING-SUIYUAN RAILWAY.

TIME ARR.	TIME DEPT.	STATIONS	TIME ARR.	TIME DEPT.
9.30	—	HSICHIMEN	—	16.48
8.06	8.16	NANKOW	18.07	18.17
—	—	CHINGLUNG-CHIAO	—	—
1.52	2.07	KALGAN	0.30	0.45
19.34	19.49	TATUNG	7.01	7.21
15.48	16.03	PINGTICHUEN	11.04	11.19
10.56	11.16	SUIYUAN	15.42	16.02
—	7.00	PAOTAO	19.58	—

LUNGHAI RAILWAY.

5.15	—	HSUCHOWFU	—	21.10
0.57	1.17	SHANKIUHSIEN	1.16	1.56
20.47	21.07	KAIFENG	6.20	7.00
18.40	19.00	CHENGCHOW	8.49	9.09
14.45	15.10	LOYANG E.	12.53	13.23
9.30	9.55	SHANCHOW	18.30	18.55
—	6.10	TUNGKWAN	22.15	—

KIAOTSI RAILWAY.

7.35	—	TSINGTAO	—	21.00
5.48	5.50	KIAOCHOW	22.46	22.48
5.06	5.16	KAOMI	23.19	23.30
3.26	3.41	FENGTZU	1.01	1.16
3.03	3.05	WEIHSIEN	1.36	1.39
1.36	1.38	TSINGCHOW	2.55	2.57
28.59	0.01	CHOUTSUN	4.32	4.35
—	22.00	TSINANFU	6.30	—

CHENGTAI RAILWAY.

19.42	—	SHIHCHIACHWANG	—	7.58
18.14	18.16	TSINGCHINGHSIEN	9.27	9.29
16.00	16.15	YANGCHUAN	11.47	12.01
14.48	14.50	SHOUYANGHSIEN	13.50	13.52
12.40	12.49	YUCHIHSIEN	15.25	15.35
—	12.08	TAIYUANFU	16.07	—

SHANGHAI-HANGCHOW-NINGPO RAILWAY.

STATIONS UP.		Zku-Nkg Express R. Through	Express R.	STATIONS DOWN.		Express R.	Nkg-Zku Through Express R.
ZAHKOU	d.	7.45	17.30	SHANGHAI, N.	d.	7.50	15.00
HANGCHOW	d.	8.15	17.55	JESSFIELD	d.	8.07	15.17
CHANGAN	d.	9.06	18.53	SICCAWEI	d.	—	—
YEHZAH	d.	—	19.25	SHANGHAI, S.	d.	7.55	—
KASHING	d.	10.17	20.05	SUNGKIANG	d.	9.05	16.05
KASHAI	d.	—	20.31	FUNGCHING	d.	—	—
FUNGCHING	d.	—	—	KASHAI	d.	9.51	—
SUNGKIANG	d.	11.25	21.20	KASHING	d.	10.25	17.20
SHANGHAI, S.	a.	—	22.25	YEHZAH	d.	11.01	—
SICCAWEI	d.	—	—	CHANGAN	d.	11.34	18.25
JESSFIELD	d.	12.11	22.16	HANGCHOW	d.	12.31	19.20
SHANGHAI, N.	a.	12.25	22.30	ZAHKOU	a.	12.50	19.35

NANKING-SHANGHAI LINE.

STATIONS UP		Express R.	Thro. Exp. Zku-Nkg R.	S'hai-Peiping Thro. Exp. (No. 302) R.S.	Night Express R. S.
SHANGHAI, N.	d.	8.00	13.00	16.05	23.00
NANSIANG	d.	—	—	—	23.33
KUNSHAN	d.	9.05	14.15	—	—
SOOCHOW	d.	9.50	15.00	18.04	1.13
WUSIH	d.	10.41	15.51	18.55	2.13
CHANGCHOW	d.	11.45	16.45	19.53	3.13
TANYANG	d.	12.33	17.36	20.48	4.23
CHINKIANG	d.	13.16	18.20	21.34	5.14
NANKING	a.	14.30	19.35	22.55	7.00

STATIONS DOWN		Thro. Exp. R. Nkg-Zku	Express R.	Night Express R. S.	Peiping-S'hai Thro. Exp. (No. 301) R.S.
NANKING	d.	8.00	17.00	23.00	24.00
CHINKIANG	d.	9.25	18.25	1.00	1.54
TANYANG	d.	10.07	19.05	1.52	2.43
CHANGCHOW	d.	11.01	20.00	3.05	3.51
WUSIH	d.	11.52	20.55	4.07	4.48
SOOCHOW	d.	12.47	21.50	5.13	5.52
KUNSHAN	d.	13.26	—	—	—
NANSIANG	d.	—	—	6.54	—
SHANGHAI, N.	a.	14.25	23.30	7.20	7.55

NOTICE

1. Children under four years of age are carried free, children under twelve but above four years of age at half fares and children of twelve years of age and over must pay full fares.
2. For Local and Through Traffic, the following free baggage allowances will be granted to each passenger:—

   1st class passenger ..... 80 kilogrammes (142 catties)
   2nd class passenger ..... 60 Kilogrammes (100.5 catties)
   3rd class passenger ..... 40 Kilogrammes (67 catties)

   Half of these quantities will be allowed on each child's half ticket of each class respectively.
3. Any weight of baggage in excess of the free allowance will be charged at the rate for the minimum quantity of 20 kilogrammes (33.5 catties) of $0.002 per kilometre per unit of 20 kilogrammes.
4. In case of any holder of Local or Through ticket who abandons his journey en route and desires a refund on the unused portion of his ticket he must apply in person, and produce his ticket for endorsement to the Station Master where the journey is abandoned. Application for refunds must be made as soon as possible after endorsement and must in any case be made within TEN DAYS of the date of expiry of the availability of the ticket which has been endorsed.

Stresa and the Riddle of Peace

BY C. Y. HSIEH (謝志秬)

EUROPE'S much-travelled diplomacy is again on the *qui vive*. From the Thames to the Kremlin and then back to Lake Maggiore it toured and explored for a safe refuge for the dove of peace from the threatening hand of Mars. At Berlin, Moscow, Warsaw and Prague it met with varying responses—from resolute "no" and evasive "perhaps" to emphatic "yet". The proceedings in Moscow in particular had a touch of the theatrical. There one of His Majesty's ministers conferred with a People's Commissar and a plain "Comrade". Bourgeoisie—the same oft-abused bourgeoisie—got a surprise ovation from the proletariat when it took its proper place in the fromer royal box of the State Opera House. And to imagine that the disciples of Lenin took the liberty of performing "God Save the King" together with the Red Internationale for the occasion! Time was when a visiting naval squadron from republican France was feted at Kronstadt in the course of which the late Tsar stood hatless during the playing of the "Marseillaise". Time played a cruel trick with national destinies, but diplomacy now as once minded its own business. And however much the events might lend themselves to humor, it must be unhappily owned that this is no age for comedy.

Apparently the alarm was caused by Germany's action on March 16. The German decision to rearm came in a manner which was nothing short of grotesque. When Herr Hitler was reported to have been suffering from cold and a harsh voice, the world had been forewarned as to what to expect. Yet in a complaint of this sort it is idle to presume that the patient alone was to blame and that the atmosphere had nothing to do with his unfortunate ailment.

Just what is that atmosphere? It is one heavily charged with hate, suspicion and ill will. For a long while it has never been wholesome enough, but the events in 1934 and early 1935 must have made it too foul to breathe.

The move which set the ball of the recent diplomatic game rolling was taken when Dictators Hitler and Mussolini met in Venice in spring of last year. Although little was divulged concerning that historic meeting, it appeared that the two fascist leaders did not see eye to eye with each other. This discord was not long in manifesting itself,for theAustrian coup which cost the life of Chancellor Dollfuss nearly brought Italy and Germany to blows. The unwisdom of forcing the Austrian issue was not lost upon Hitler, who for a while slowed down his jingoistic program. Europe had been recovering from the shock caused by the Nazi push in Vienna when it was rocked by another crisis—the assassinations of Alexander I and Louis Barthou at Marseilles. The international repercussions of this double tragedy were serious. First a Serbo-Italian row, then a Serbo-Hungarian conflict seemed inevitable, and it was unusual tact and moderation that finally brought the situation under harness and slowly restored peace and tranquillity. But when the year drew to its close, it was still in the midst of anxiety and uncertainty.

Sanguine Hopes Soon Disappear

If the closing days of 1934 stamped that year as one of gloom and disaster, the opening days of 1935 were promising of a better international order. The Franco-Italian accord of January 7, as the result of Pierre Laval's visit to Rome, laid to rest a feud of long standing. This was fortunately followed by the peaceful though decisive plebiscite over the Saar which finally removed a dangerous issue between France and Germany. Well-wishers of peace agreed that the year could not have opened with happier augury, but their more sanguine hopes were soon disappointed.

The retrogade tendency was manifest with the appearance of an Anglo-French Communique on February 3. No immediate crisis, to be sure, was then precipitated. But the spirit of conciliation and accommodation so patiently and laboriously cultivated, again was gone. Yet the height of folly and tactlessness was reserved to the British Government which, in publishing the White Paper on national defence on the eve of Anglo-German conversations, was directly responsible for Herr Hitler's "cold" and the German action—the official decision to rearm the Reich. Taking the sequence of events into consideration, it would be shirking the issue to pretend that Nazi Germany alone and primarliy was to blame for the present sorry situation.

The new turn of affairs, however, has been fraught with so much danger that this is no time for apportioning responsibility. Europe today may be likened to a house in which a dynamite is found. The obvious duty of its inmates is first of all to remove that dynamite with the greatest despatch and facility. Any delay for bickerings as to how and by whom the dangerous explosive is brought into the house would be to court disaster to all concerned.

The dynamite which is threatening to blow up Europe is that loss of mutual confidence between nations and that growing reliance on arms which would inevitably lead to war. Nowhere is this spirit of cynicism and distrust more glaringly reflected than in the prevailing attitude toward international parleys which, as a rule, were doomed to failure before they were even convened. Governments have formed the deplorable habit of preparing for the worst although chances of agreement were still open to them. Diplomats who professed themselves the guardians of peace have more often than not become the unwitting tools of division and conflict.

Next to the pessimistic international outlook and largely a corollary of it, is the tendency to shift the incidence of political and economic ills. Responsible authorities in different countries appeared to have been inspired by the belief that the best way out of the present economic depression and political maladjustment is to victimize weaker nations. That is how Austria became the new pawn in the European chess-board. That is how the Italo-Abyssinian dispute was accentuated by the Franco-Italian understanding over northern Africa. Truly it may be said that the solution of a problem entails the creation of a new one. This is due to a lack of courage to face any question squarely and honestly. As a result, the woes might indeed have been borne by the luckless for some time, but it well not be long before they recoil to the Powers' great discomfiture. It is amazing that as modern communications have made the world daily smaller, the sense of international solidarity has been increasingly ignored.

This eagerness to pass the woes on to others further indicates a failure to appreciate the principle of give and take. International life requires for its inception and development a degree of self-denial. Just as there is a price to everything, so peaceful international order must be paid for in the form of self-denying or even altruistic obligations. The desecration of this principle world cause no less harm in Europe than in the Far East where a Power, by demanding all rights and privileges but ignoring all obligations due her position, has brought about an unprecedented crisis.

Of these pitfalls of international dealings the Stresa Conference has avoided some while again falling into others. The outstanding, and perchance quite unexpected, achievement of the conference is the restoration of the spirit of moderation and corporate responsibility on the part not only of ex-Allies but also of Germany, which should not fail to check the tendency towards challenges and counter-challenges of late so disastrously indulged in by both sides. By reason of this turn for the better the chance of the League of Nations resuming leadership in the pacification of Europe looms large.

It may perhaps be too early to detect all the factors responsible for the return of goodwill. But it is only fair to state that initiative and guidance in this direction should mainly be laid to the credit of British representatives, as a redemption of their recent blunders. Great Britain, owing to her geographical position and traditional prestige on the Continent, had the leading though delicate role to play as an "honest broker" between Germany and the ex-Allies and for once at least played it well. Since it is neither to her interest to see an over-powerful Latin bloc nor to tolerate a new, revitalized Teutonic nation, by instinct British policy has been seeking a mean between the two extremes which for the time being corresponds to the best interests of Europe. There is reason to believe that when the British delegates left for Stresa, hopes of winning Germany over to the collective system had not been given up. On the contrary, it may be reasonably supposed that British counsel continued to be exerted on the Wilhelmstrasse so that before the Stresa gathering dispersed, the delegates were gratified with a new conciliatory gesture from Berlin.

Triumph of British Policy

As it was, the transactions at Stresa marked a triumph of the British policy. An analysis of the final official communique, described as a joint resolution,issued on April 14 will show the preponderancy of British views. The basic idea back of that resolution is to continue the work of collective security unperturbed by the German action. Talks of a sanction on Germany for her violation of the Versailles Treaty were necessarily soft-pedalled, although moral reprobation and prevention against further breaches were stressed by France.

For all the valuable sobering influence it cast, it must be emphasized, however, that Stresa yielded only a respite. It did not attack the central problem of European peace. The fact that the conference has been hailed with satisfaction from all sides does not necessarily mean any positive improvement in the European situation, but may at best express gratification at a welcome temporary relief from tension. What was done has not yet been undone. The position remains the same to all concerned, with the advantage perhaps that they may have recovered a sufficiently cool head to enable them to steer a way out of the crisis.

All, therefore, depends on how this returning sanity may be made use of. If, as is to be hoped, it may develop into actual mutual good faith, the collective system of consultation and collaboration will stand to gain. Should it unfortunately be allowed to dissipate in renewed recriminations, then it may prove a lull before a greater storm. For this reason the present proceedings at Geneva are being watched with utmost anxiety. Already they have been marred by the complaint lodged by France to the Council and the strongly worded reply by the Reich to that complaint. It remains to be seen how the Franco-German deadlock can be terminated. Certain it is, however, that if it is to be overcome it will be through the League of Nations. The obvious alternative would be the French policy of confronting Germany with a ring of alliances and then dictating

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her acceptance of the collective system of security—a policy which is highly mischievous and if not modified in due time would lead to dire consequences. There is no arguing that to lead the German horse to the stream is one thing,but to make it drink is quite another. The League Council, if it is not to betray its trust, will have to choose between the French thesis and a far more intrinsically effective course. It is equally plain that its action on this matter will determine the orientation of French diplomatic activities in the near future. If France is to be dissuaded from her set course, it must be when she has received reasonable assurances that the Reich will return to Geneva and will abide by the Treaty of Versailles. Failing this, Foreign Minister Laval's visit to Moscow right after the close of the Council meeting may be the signal of France plunging deep and with whole heart into the discredited game of alliances. The announcement of a Franco-Soviet Convention on the eve of the Stresa Conference might be only a clever maneuvre for successful diplomatic bargaining. But since that conference was non-committal on the issue of Germany's rearmament and if the League also fails to do anything in this connection, France may have to carry out her threat by bringing the Franco-Soviet Convention, with possible adherence by Czecho-Slovakia if not the whole Little Entente, into existence. And that would inaugurate the process of dividing Europe into two armed camps.

Europe today is faced with the momentous decision between peace and war. While every nation has been paying eloquent lip service to the cause of peace, none seems prepared to pay a fair price for it. The situation is grave, but it should not be despaired of. Even at this eleventh hour a sacrifice enforced by an invigorated League of Nations from each and all may yet arrest the march toward Armageddon. For the sake of peace France should be led to see the unwisdom and the futility of alliance diplomacy, and should be convinced of the desirability of a rapprochement with Berlin through frank direct negotiations. Germany on her part should respond by coming once more within the orbit of the League and undertaking to redress her grievances by legal and peaceful means. The tendency of Italy to fish in troubled waters by playing one group of nations against another should be strongly discouraged, and in particular her ambitions in Central and Eastern Europe resolutely curbed. Finally the strategy of peace requires that Great Britain, on whose initiative and leadership the realization of these conditions will largely depend, need also be cautioned against the same drifting and irresolution which rendered Lord Grey's efforts at saving the situation in 1914 too late.

And what is drifting and irresolution if not the product of that conflict between traditional interestedness in maintaining the political equilibrium on the Continent and persistent refusal to assume any obligations for it?

April 17, 1935.

Amalgamation Scheme of "Rengo"and "Nippon Dempo" Make Further Progress

The Teito *Nichi Nichi* of March 30 stated that the view has been gaining ground in newspaper circles that the negotiations for the amalgamation of Japan's two principal news agencies, *Rengo* and *Nippon Dempo*, have recently progressed considerably. Vice-Minister of Communications Ohashi recently called at the Foreign Office in connection with the amalgamation issue, and is said to have stated that during the regime of Count Uchida, former Foreign Minister, the *Nippon Dempo* gave Count Uchida, a memorandum accepting the idea of amalgamation and that *Nippon Dempo* is not in a position to abruptly reject the amalgamation proposal. One big trouble which Mr. Mitsunaga, president of the *Nippon Dempo*, suffers in this connection is *Nippon Dempo's* relations to provincial newspapers. The *Osaka Asahi* and *Osaka Mainichi* recently established sister newspapers in Kyushu, considerably invading the fields of *Fukuoka Nichi Nichi Shimbun* and other leading local newspapers. If these local newspapers lose news characteristics through amalgamation of *Rengo* and *Nippon Dempo* in addition to the blow suffered by the advance of the *Asahi* and *Mainichi*, it will be almost fatal to the local papers, the Teito journal commented.

Dollar Steamship Company Has New Building Plan

The Tokyo *Asahi* April 12 stated that J. Harold Dollar, Vice-President of the Dollar Steamship Company, who is one of the members of the visiting American Economic Mission to the Far East, has intimated that the company has a new shipbuilding plan. His intimation aroused much attention because of the report from the United States that the American Government had come forward to adopt a positive protective shipping policy and decided to pay shipping subsidies equal in amount to the margin between the building cost of America and those of other countries. The new building plan of the Dollars can be regarded as a part of America's response to Japan's challenge in shipping, the *Asahi* commented.

Korean Silver Smuggler Shoots Customs Inspectors

Two Chinese inspectors attached to the Chingwantao Customs were seriously injured April 21 at the Chingwantao Station when attempting to detain a consignment of cash silver amounting to $20,000 smuggled by a Korean. The Korean smuggler fired seven shots with his pistol at the two inspectors and seriously wounded them. After the incident the Korean attempted to escape, but a party of Japanese Gendarmes arrived at the scene and placed him under arrest. It is understood that the Chingwantao Customs authorities have taken up the matter officially with the Japanese Military authorities there.

The continuous outflow of silver through smuggling from the Luangtung area is causing concern to local Chinese authorities. Instances of silver smuggling are discovered almost daily by the customs officials at Chingwantao and the number of the smugglers arrested during the past week totalled 78. Owing to the smuggling, scarcely a silver dollar is to be seen now on the market in the Luantung area.

Conflicting Reports on Silver Smuggling Both in North and South China

Responsible Customs and banking circles in Tientsin, April 20 ridiculed press reports that there have been large amounts of silver lost to the north through smuggling. The decline in the local stock of silver, it was authoritatively stated, occurred before October 15 last year, through export by legitimate channels. The Custom House at Amoy reported that extra services have been put on to prevent the smuggling of silver from Amoy to Formosa and Hongkong, with the result there has been no smuggling of silver lately. Export of duty-paid silver also has ceased, through a "gentlemen's agreement" amongst the local bankers.

The Amoy Chamber of Commerce called a meeting of the different banks in that city April 28 to deal with the situation arising from the large exodus of silver. Besides petitioning the Municipal Government to request the local Custom House to enforce a temporary embargo on the export of silver, the meeting decided to organize a special investigation corps, whose duty will be to assist the police in the detection of smuggling. A total of $1,300,000 of silver left Amoy during last week. This did not include the silver smuggled out.

A large quantity of smuggled goods was recently seized by the Fukien Custom authorities in the vicinity of Changlo, about 30 miles southeast of Foochow. It is estimated that approximately $3 milllons worth of goods are smuggled into the province every year.

Chang Kai-ngau Accepts Post at Central Bank

As a result of repeated urging on the part of Dr. H. H. Kung, Chang Kai-ngau, the retired general manager of the Bank of China, has consented to take up his new appointment as deputy governor of the Central Bank April 21.

Tokyo Journal Says T. V. Soong Has Changed His Anti-Japanese Attitude

The *Tokyo Asaski* April 12 stated:—"T. V. Soong, whose attitude to Japan had been watched in connection with China's turn to pro-Japanese policy, has recently changed his anti-Japanese attitude. In view of the adverse criticism directed against him by Japanese sources Mr. Soong has been recently seeking an understanding with Japanese circles for the misunderstanding.

"Mr. Soong had at first an opinion different from those of General Kai-shek and Wang Ching-wei regarding the loan issue. Together with Finance Minister Dr. H. H. Kung, Mr. Soong reported that China needed a foreign loan and negotiated with Britian and the United States for a loan.

"Later, however, when the impracticability of such loan was realized, Mr. Soong changed his attitude in favor of issuance of Yen 100,000,000 domestic bonds and taking this opportunity for readjustment and control of note-issuing banks. Behind these it was clearly observed that Mr. Soong sought Japan's view regarding China's financial rehabilitation and asked for Japan's assistance."

Waichiaopu Wires Dr. Sze to Keep Chinese Government Informed on U.S. Silver Situation

The Ministry of Foreign Affairs last week cabled Dr. Alfred Sze, Chinese Minister at Washington, instructing him to report to the Ministry on any new developments of the silver situation in order that effective measures may be formulated by the Government to deal with it.

Dr. Kung Asks Kiangsi to Abolish Salt Surtax

Considering the recent imposition of surtax on salt by the Kiangsi Provincial Government as a violation of the Salt Law, Dr. H. H. Kung, Minister of Finance, recently sent a telegram to the Kiangsi Provincial Government asking for its immediate abolition. In his telegram Dr. Kung pointed out that financial stringency in that province does not justify the imposition of the surtax as the Central Government is granting a monthly subsidy of $100,000 to the Kiangsi government.

A number of Customs stations along the Yangtsze River and in the interior are to be abolished after the abolition of the Interport duty. It is pointed out by the Ministry of Finance that these Customs stations have been maintained to prevent evasion of interport duty. With the latter's abolition, their usefulness will come to an end.

Tai Chi-tao Says Government Is Doing Its Best to Fight Depression

Tai Chi-tao, President of the Examination Yuan, in a speech at the Central Kuomintang Headquarters memorial meeting April 22 stated that the Government is now exerting its best effort in devising ways and means to fight the economic depression which has the whole country in its grip.

General Chiang Would Eliminate Squeeze in Szechuen Officialdom

In view of the confused state of the finances in Szechuen, General Chiang Kai-shek in a telegram to General Liu Hsiang, Chairman of the Szechuan Provincial Government, from Kweiyang, April 22, instructed that effective measures be taken to readjust the finances in local districts. General Chiang ordered the establishment of a local finance committee in every district of the province and the unification of the system of revenue collection and expenditure. General Chiang is trying to eliminate squeezing by district officials and complete abolition of exorbitant taxes.

Finance Ministry to Study Reforms in Subsidiary Coin Currency

In order to abolish the miscellaneous subsidiary coins now in circulation and to unify the standard of these coins, the Currency Reform Committee under the Ministry of Finance is studying ways and means to bring about the needed reforms.

Tokyo Foreign Office Denies Reports of British Loan to China

Recurrent reports of a possible British loan to China were characterized as "absurd" by a Foreign Office spokesman in Tokyo April 22, who added, however that the Hongkong and Shanghai Banking Corporation, had recently extended "considerable credits" to the Bank of China's special fund for the settlement of foreign exchange transactions.

Nanking to Increase Subsidy to Kiangsi

The Central Government has consented to grant to the Kiangsi provincial treasury a monthy subsidy of $150,000 beginning from this month. General Chiang Kai-shek has also promised to appropriate $100,000 from his military headquarters in order to make a total of $250,000.

Yellow River Dykes in Northeast Shantung Collapse

A portion of the Yellow River dykes near its mouth in northeastern Shantung collapsed last week as a result of the strong current. The refugees sent there from western Shantung to engage in reclamation work were reported to be in danger.

A batch of 1,200 flood refugees from western Shantung departed from Tsinan this week for western Suiyuan to take up reclamation work. They were transported by a special train chartered by General Han Fu-chu, Chairman of the Shantung Provincial Government.

Large-scale engineering operations for the reinforcement of the Chin Dyke, on the Hopei-Shantung border, have been started according to Chang Lien-chia, Director of the Shantung Provincial River Affairs Bureau. Since the closing of the gap at the Kuantai Area, on the Hopei-Honan Border, Mr. Chang said, the Yellow River has subsided considerably along the Chin Dyke in Fanhsien and is flowing quietly and steadily midstream.

A joint telegram from Messrs. Chang Ching-lu, District Magistrate of Changyuan, southern Hopei, and Yeh Chen-min, special flood inspector, April 21 stated that arrangements are being made to plant 3,000 willow trees around Changyuan city and on the Yellow River dykes at the Taihsing Area for protection purposes.

Threatening Flood Situation in Nanchang

Continued heavy rainfall during the past last week resulted in the overflowing of the rivers adjoining Nanchang causing great damages to farms in the lowland regions along the rivers.

Finance Ministry Gives $20,000 for Shensi Famine Relief

In accordance with a recent order of Gen. Chiang Kai-shek, the Finance Ministry has remitted $20,000 to Sian for famine relief in southern Shensi.

Kiangsu Remits $100,000 to Huaiyin Area

The Kiangsu Provincial Government has remitted a sum of $100,000 to the Special Administrative Commissioner's Office in the Huaiyin Area, northern Kiangsu, to finance the repair of the highways and installation of long-distance telephone services in the six districts within the Area, in order to facilitate the conservancy work of the Huai Ho (River) and bandit-suppression.

Hopei Appeals for Flood Relief Funds

Urgent appeal for funds for the relief of the flood-stricken farmers at Changyuan in southern Hopei was made in a telegram recently sent to the Central Government by the Hopei Provincial Government. A sum of about $600,000, it was pointed out, is needed for immediate relief of over 50,000 flood sufferers.

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American Economic Mission Arrives in Shanghai

Eleven members of the American Economic Mission arrived in Shanghai from Japan on the s.s. *President Harrison* Aprii 22. At the head was W. Cameron Forbes, chairman; former American Ambassador to Japan and governor-general of the Philippines. The other members of the party which arrived were: Charles J. Carroll, vice chairman—director, Persian State Rys.; former engineer-in-chief, Hukuang Railways—Towanda, Pa. Julian Street, Jr., secretary—journalist; National Broadcasting Co., New York. John E. Chevalier, treasurer—director, National Council of American Imerican Importers and Traders, New York; hon. secretary American Asiatic Association, New York. Walter F. Dillingham, corporation executive; past president, Honolulu Chamber of Commerce; Honolulu. Leighton W. Rogers, vice pres., Aeronautical Chamber of Commerce, Washington, D. C. Prof. C. F. Remer, professer of economics of the University of Michigan, author and economist, Ann Arbor, Mich. G. Ellsworth Huggins, cotton merchant, New York City. Thomas Y. Wickham, grain merchant, Chicago; vice pres., Chicago Board of Trade; Chicago. Dr. Louis C. Jones, chemical engineer, American Cyanamid C., N. Y.; Chemical Construction Corporation, Yokohama, Japan.

The above were joined here by Phillip K. Condeet, vice president of the International Telephone & Telegraph Co; Col. Sydney W. Minor, of Dibrell Bros., tobacco merchants, of Danville, Va., Harold W. Bixby, president of the China Airways Inc. and Harold Dollar, vice president of the Dollar Lines, who had in the meantime returned from a trip to Manila.

F. A. Merrick, president of the Westinghouse Electic Company, sailed from San Francisco, April 19 to join the Mission.

Of the visitors, the one with the longest experience in China is Dr. Remer, who was on the faculty of St. John's University from 1912 to 1922, and for some time was a contributing editor of *The Review*. He is the author of "Foreign Investments in China," published last year, and "Readings in Chinese Economics."

The activities of the Mission in China are being furthered by the joint committee of the Foreign Trade Association of China, the China Committee of the International Chamber of Commerce, the Shanghai City Chamber of Commerce, and the Chinese American Trade Council. Mr. Forbes in an interview indicated that the group would remain in the Far East for two additional months, one party visiting the Philippines as well. Their tour would be comprehensive. They will visit Government officials in Nanking and return to Shanghai for a series of conferences with business leaders here. Afterwards sections would continue their investigations in North, South and Central China. Toward the end of the tour, they expected to re-assemble here, collate their findings, and have further conferences with the local Chinese and American business men. Continuing his interview with the press, Mr. Forbes said, "It is my belief that no group of American business men could come under more favorable auspices to make a complete study of this great country. This has only been made possible by the remarkable development of air transport in China. We are, we believe, the first group of business representatives to come since the new means of travel by air, thus enabling us to review the new China on an extensive scale. A schedule of rail and air travel has been so arranged as to give maximum efficiency to our efforts."

Edwin S. Cunningham, Consul-General for America, was at the Customs Jetty to meet the party, while members of the U.S. Chamber of Commerce, including the following attended at the ship or at the jetty:—Julean Arnold, C. S. Franklin, A. Bassett, C. E. Patton, W. H. Plant, Esson Gale, and H. B. Howard, the first three entertaining the visitors at their respective homes. The Mission on the day following their arrival called on Mayor Wu Te-chen at the Civic Centre, returning for tiffin at the American Club with Chinese and American businessmen, The ladies had tiffin at the American Women's Club. The Mission proceeded to Nanking by train on the night of April 24. The new Douglas plane of the China National Aviation Corporation is being place at the disposal of visitors and they were due to return to Shanghai by plane April 25.

Among Chinese business men who welcomed the visitors were: Messrs. Z. L. Chang, Francis K. Pan, Dr. Herman C. E. Liu, Fan Chen-tsu, Dr. Y. S. Tsao, Chen Chieh, K. Z. Loh, Dr. L. T. Chen, Dr. Z. Z. Zee, Wang Hsiao-lai, Hsu Sing-loh, L. S. Nieh, T. W. Kwok and A. C. Hou. Dr. P. W. Kuo and Chen Chieh headed a group of prominent Chinese officials and businessmen composing a special welcoming committee, who met the American emissaries and escorted them to the Park hotel. News-reel photos were taken of the group being welcomed to China.

Nelson T. Johnson, American Minister at Peiping, met the members of the mission on their arrival in Nanking on Apr. 24.

On April 29, the Mission will depart for Hankow by plane and will spend 10 days there, returning to Shanghai on May 10 also by plane. On May 11, it will leave Shanghai for Peiping

and Tientsin by plane, and after remaining there for a week, will depart for Tientsin on May 17 and arrive back at Shanghai on May 19. During the days from May 20 to May 28, the Mission will remain in Shanghai, inspecting the economic organizations and industrial enterprises in and around Shanghai. On May 28, it will proceed to Hangchow for a visit for three days and return here in the evening of May 31.

On June 1, the Mission will proceed to Canton by plane to inspect conditions in South China and return to Shanghai on June 6 also by plane. From June 10 to June 14, members of the Mission will be engaged in a series of conferences with the Chinese Experts' Committee, leading Chinese bankers, industrialists and a business leaders. A farewell party will be given by the Reception Committee at the Park Hotel on the evening of June 14. The Mission will give a banquet on June 17 and depart for the Philippines on June 18 by the s.s. *President Coolidge*.

W. Cameron Forbes to Address Pan-Pacific Association

W. Cameron Forbes, the head of the American Economic Mission, will address the Pan-Pacific Association of Shanghai at the Metropole Hotel, Saturday, April 27 at 12:15 p.m. Dr. H. H. Kung, Minister of Finance, and president of the Pan-Pacific Association of China, will preside.

Japan to Send Trade Mission to America

Dispatch of an Economic Mission to the United States has been decided by the Tokyo Foreign Office, which is consulting various trads organizations on the composition of the body. The mission will be composed of four or five members. It will later visit England.

League Condemns German Violation of Treaty Clauses

THE Council of the League of Nations April 17 adopted a resolution submitted the previous day by M. Laval, the French foreign minister, condemning Germany's violation of the military clauses of the Treaty of Versailles and appealing to the independence, impartiality and authority of the League. The resolution was submitted in the name of Great Britain, France and Italy. Denmark was the only country that abstained from voting. The question of the Dardanelles was unexpectedly raised by the Turkish representative. He declared that, in the event of a change in the situation at present determined by the present Treaty of Neuilly, Turkey would be bound to demand modifications in the military clauses of the pact concerning the Strait of Dardanelles, thus assuring Turkey's natural defenses and providing equality in treatment. Sir John Simon, the British foreign secretary, immediately declared that he would make reservations, and was supported by the Italian and French representatives. M. Litvinoff, the Soviet foreign commissar, said that he had no objections to Turkey's wishes. M. Litvinoff, however, made an important reservation on behalf of his country regarding the resolution condemning Germany, namely that condemnation of unilateral treaty denunciation should apply to other Continents as well as to Europe. This complication was apparently intended to cover the Japanese action in the Far East, and caused much agitation among the spokesmen of other great Powers. Finally, amid general smiles of relief, the Soviet foreign commissar withdrew his reservation, at the request of the French and Italian delegates.

Mr. Litvinoff then made a spirited attack on the German arms increases saying, "What shall we do if a state demanding or taking the right to arm herself is under the exclusive direction of people who loudly declared in their program that their foreign policy is a policy not only of revenge but also of limitless conquest of foreign territories and the destruction of the independence of whole states, and who not only do not renounce this policy but ceaselessly spread it, educating their people therein?"

M. Litvinoff's speech brought forth a retort from the semi-official Deutsche diplomatische *Politische Correspondent* that the Soviet commissary had mistaken his public and delivered in Geneva a speech he had probably prepared for a recent Soviet congress. The German Government, in notes to the governments concerned in the resolution, stated that they had no right to appoint themselves as judges over Germany, and that the League Council's action was an attempt at renewed discrimination against Germany. The German reply was generally taken as a matter of routine. The telegrams from London stated that "it caused no surprise." The general tenor of the views expressed in the German Press was that Germany did right in leaving the League and that conscription in Germany was an inevitable step.

Sun Fo Sees War Unless German Claims Are Recognized

Sun Fo, President of the Legislative Yuan, in an interview in Shanghai April 20 said a second European war cannot be forestalled unless the chief European Powers agree on a more comprehensive plan which would take into consideration the claims of Germany and the adoption of a more conciliatory attitude towards the adjustment of the claims of all interested parties.

Hitch Occurs in Franco-Soviet "Security" Negotiations

At the same time that the League of Nations was debating the subject of Germany, France and Soviet Russia were negotiating for the signing of a mutual "Security Pact." As now drafted, the terms of the Agreement are based largely on Articles 15, 16 and 17 of the League of Nations Covenant, providing first for economic and financial, then military, penalties against attacking nations. The Franco-Russian agreement is alleged to contain several secret clauses, some of which may be stricken out or replaced by substitutes.

The agreement was at first reported to have been ready for initialing April 21, but later telegrams stated that a hitch had occurred.

Senator Borah Opposes Loans to Europe, Flays League

Senator William E. Borah delivered a scathing address April 19 ridiculing the League for its action in denouncing of Germany. The attack followed close upon the introduction by the liberal leader of a measure which would prohibit loans to any foreign countries off the American continent. "European Governments now are definitely preparing for war," Senator Borah told the Senate. "Any money lent to them at this time will go to aid them in these war plans. If war breaks out and we have large investments in Europe, we will again find powerful forces pulling the United States into the conflict." Senator Borah scoffed at the League of Nations as an agency of peace.

Japanese Press Fears European Complications

Further complications in the European situation were predicted in Tokyo April 18 by the Japanese press following the passage of the resolution by the League of Nations condemning Germany for the violation of the military clauses of the Treaty of Versailles. The *Tokyo Asahi* noted a contradiction in the attitude of the great European powers, which have been obliged to recognize Germany's re-armament as an accomplished fact, and still adopted a resolution condemning future unilateral denunciations of treaties. The powers, the *Asahi* added, should have manifested greater statesmanship in setting up new peace structures by mollifying the anti-German resolution.

Admiral Pratt Says Japan's Claim for Increased Navy Not Conducive to Peace

A blunt declaration that Japan's "claim for an actual increase of her naval ratio will not further the purpose of peace" was made in Los Angeles, April 10 by Admiral William V. Pratt, former chief of naval operations, in a statement to the press. Admiral Pratt asserted that Japan must find "other reasons than equality of security" to justify its naval claim and added that the battle against economic unrest is more important than exaggerated war scares.

U.S. Asiatic Fleet Comes to Shanghai

The main part of the U.S. fleet in Asiatic waters, following the usual annual custom, has abandoned its winter quarters in the Philippines and for the moment is centered at Shanghai. During the summer the majority of the ships will be sent either to Tsingtao or Chefoo (in North China). The exodus from Shanghai will begin Apr. 30. Led by the *Blackhawk*, the U. S. Destroyers *Paul Jones*, *Stewart*, *Parrott*, *Edsall*, *Barker*, *Finch*, *Bulmer*, *John D. Edwards*, *Peary*, *Pope* and *John D. Ford* will leave for Kobe. On the same day, the U.S.S. *Augusta*, flagship, commanded by Captain F. X. Gygax, will leave for Yokohama direct. Later the *Augusta* will go to Kobe, and will return to Shanghai, staying from June 5 to 30. The tender *Canopus* and submarines will leave for Tsingtao May 4. On May 12 the minesweeper *Heron* is to arrive, leaving for North China four days later.

The *Augusta* will be replaced next October by the U. S. S. *Omaha*.

New Tourist Resort to Be Developed on Chekiang-Anhwei Border

A number of Government officials and prominent Shanghai residents, including T. V. Soong, Chang Chin-kiang, J. Usang Ly, Samuel Kwauk, Y. M. Chien, Lao Chin-an (of the Bank of Canton), and several others are promoting the formation of a company for the development of Tung Tienmushan (East Heaven Eye Mountain) on the Chekiang-Anhwei border as a summer resort. The purpose of the Company is to undertake construction of buildings and all other constructive enterprises in the resort area. The capital of the company is fixed at $200,000, divided into 2,000 shares at $100 each. The head office of the Company is at Shanghai.

French and Chinese Police Clash on Pass Issue

When a French member of the Shanghai Concession Police April 24 stopped a party of Chinese Public Safety Bureau police without the necessary pass inside the Concession he tried to prevent their proceeding. The latter thereupon "arrested" the French Police officer, took him into Chinese territory, disarmed him, and assaulted him so badly that he had to undergo hospital treatment. According to a note appearing in the French newspaper, the Chinese authorities have promised the French Consul General that the Chinese police who committed the assault would be punished.

Missionaries Leave Chengtu, Menaced by Reds

General Liu Hsiang, chairman of the Szechuen Provincial Government, last week ordered evacuation of foreigners from Chengtu, capital of Szechuen Province, due to fear that the Communists, who are operating in that neighborhood, might capture the city. A large Communist force led by Hsuk-hsiang-chen was reported 150 miles northwest of Chengtu. Hsuh's forces have been established for several months in northern Szechuen, directly north of Chungking, which is Gen. Chiang Kai-shek's headquarters. Gen. Chiang is using a tri-motored Ford plane, flying between Chungking, Kweiyang and Yunnan, in his anti-Red operations. Gen. Chiang has ordered the Szechuen authorities quickly to construct a series of blockhouse defences at Chengtu and not to evacuate the city under any circumstances. He also ordered the China National Airways, which operates an airmail and passenger service in cooperation with Pan-American Airways, to supply another tri-motored plane for the evacuation of all foreigners from Chengtu in case the situation becomes worse.

Chengtu is the most important foreign missionary base in China. Other cities, extending westward to the borders of Tibet, also contain groups of missionaries. There has been a general exodus of missionaries from these areas during the past several weeks. All children have already been sent out, many of them being sent to Hankow.

The following are lists of missionaries stationed in the Chengtu area, supplied by the various missionary bodies:

At the American Baptist Foreign Mission Society, the list includes Miss M. E. Argetsinger, Miss B. E. Bassett, Mr. and Mrs. D. S. Dye, Mr. and Mrs. J. E. Moncrieff, Dr. and Mrs. W. R. Morse, Kev. and Mrs. D. L. Taylor, Dr. and Mrs. J. E. Lenox, Rev. and Mrs. D. C. Graham, and Miss Esther Nelson.

Rev. and Mrs. T. Torrance represent the American Bible Mission, while Rev. and Mrs. Robert L. Simkin are listed under the A. F. B. M. The British and Foreign Bible-Society is represented by Mr. and Mrs. George M. Franck. The China Inland Mission's list includes Mr. and Mrs. J. R. Sinton, Mr. H. A. J. Lea and Miss Merie Young, R. N.

Bishop and Mrs. J. Holden, Dr. J. G. Billington, Rev. and Mrs. F. A. Smalley, Mr. W. T. Jenkins, Mr. J. W. Rudd, Miss Mary E. Streeter and Miss G. Davis aae accredited to the Church Mission Society there, while Mr. and Mrs. William G. Sewell, and Mr. and Mrs. Leonard Tomkinson are accredited to the Friends' Service Council, Pastor and Mrs. A. B. Bussell represent the Seventh Day Adventist Mission Board in Chengtu.

The Methodist Episcopal Foreign Mission Board lists the following: Rev. J. Beech, Miss O. Hansing, Mr. and Mrs. S. Lewis, Rev. and Mrs. H. S. Jiljestrand; Miss Grace Manly, Miss M. Manly, Rev. and Mrs. W. E. Manly, and Dr. and Mrs. R. A. Peterson, M. D.

The Rev. J. V. Latimer and Mrs. Latimer are accredited to the Union Hospital at Chengtu, Mr. and Mrs. A. J. Brace to the Y.M.C.A. and Miss Mary E. Streater to the Y.W.C.A.

The largest list is that for the United Church of Canada. Chengtu representatives include Dr. and Mrs. R. G. Andrew, Rev. W. B. Albertson, Dr. and Mrs. R. M. Anderson, Mr. and Mrs. G. S. Bell, Dr. and Mrs. A. E. Best, Rev. and Mrs. H. G. Brown. Rev. and Mrs. A. J. Brace; Dr. and Mrs. H. B. Collier, Miss M. Coutts, Dr. and Mrs. Wallace Crawford, Miss M. Crawley, R. N., Dr. and Mrs. E. R. Cunhingham, Rev. F. Dickinson, Miss B. L. Foster, Miss A. Harrison, Rev. E. Hibbard, Miss F. F. Sack, Rev. and Mrs. R. O. Joliffe, Miss C. A. Kilborn, R. N., Dr. and Mrs. L. G. Kilborn, Rev. and Mrs. John Kitchen, Dr. and Mrs. A. W. Lindsay, Miss M. McFadden, Miss J. M. McIntosh, Dr. E. N. Meuser, Dr. Jean Millar, Dr. J. H. Mullet and Mrs. Mullet, Rev. and Mrs. J. Neave, Mr. and Mrs. T. E. Plewman, Mr. H. D. Robertson, Rev. and Mrs. A. W. Small, Rev. G. W. Sparling, Mr. and Mrs. R. C. Spooner, Miss U. F. Thexton, Mr. and Mrs. L. C. Walmsley, Miss. A. I. Ward R. R., Miss Caroline F. Wellwood, Dr. and Mrs. E. C. Wilford, Dr. and Mrs. T. H. Williams, and Mr. and Mrs. L. E. Wilmott.

Committee to Study End of Extrality to Start Functioning Next Month

The Committee for the Retrocession of Judicial Rights, which was recently organized by the Ministry of Justice for the purpose of studying ways and means to end the system of extra-territoriality in China, will formally start functioning early next month. The Committee will be composed of 14 members, including nine officials from the Ministry of Justice, one from the Judical Yuan, one from the Ministry of Foreign Affairs, two legal experts and one Chairman. It is understood that Hung Loh-tung, vice-Minister of Justice, will act concurrently as the chairman. The Committee will first study the circumstances leading to the abolitian of extra-territoriality in Japan and Turkey and next the attitude of the various Powers towards China's plan to abolish the system in this country.

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"Clipper No. 5" Returns to California

The huge Sikorsky "Clipper No. 5" plane arrived in Honolulu April 17, making the 2,100-mile trip from Alameda in the record time of 18 hours and 39 minutes. Among the first to greet the commander, Captain Edward C. Musick, the pilot, and his five companions on the plane was Cornelius Vanderbilt Whitney, chairman of the board of Pan-American Airways, who had come to Honolulu earlier to make preparations for the arrival of the flying-boat. The Pan-American officials decided not to send the plane off across the Pacific for the present as the air bases at Midway and Wake have not yet been completed. The U.S. Senate has also voted against the proposed $2,000,000 appropriation to facilitate America-China airmail. The plane was flown back to California April 22.

Japanese Wonder Why Pan-American Did Not Also Seek Japan-U. S. Air Link

Official displeasure at the failure of Pan-American Airways to approach the Japanese Government in connection with its projected trans-Pacific air route was expressed in Tokyo April 20 by a spokesman for the Japanese Foreign Office. This outburst was precipitated by the receipt of a cabled resume of an editorial appearing in the *Christian Science Monitor* of April 17 wherein the air line directors are taken to task for failing to connect the projected San Francisco-to-Manila route to Japan. While the Japanese Government could see no reason to object to the establishment of civilian air bases at Wake and Guam islands, which are included in the zone where new construction of military establishments prohibited under the Washington Treaty, the spokesman said that he "wondered why Pan-American Airways officials had not sought to establish a link between their own line and the Japanese airways system."

Japan to Spend Yen 210,000,000 to Bring Commercial Flying Abreast of Other Nations

A plan for the expansion of civil aviation in Japan involving the expenditure of Yen 210,000,000 over a period of 10 to 15 years, has been submitted to Communications Minister Takejiro Tokonami by officials of the Aviation Bureau. The program was evoked in accordance with two motions adopted at the last session of the Diet for the establishment of a civil aviation policy and the encouragement of private enterprise in this field to match the rapid development of commercial flying in other nations. It includes the following projects: Establishment and expansion of regular air routes both domestic and international, construction of new aerodromes, training of pilots and mechanics, advancement of aeronautical engineering and unification of research organs.

U.S. War Department to Establish Sky Army of 1,000 Planes

Recent mail advices from Washington stated that the U. S. War department is preparing to establish a mighy sky-army of 1,000 planes, receiving orders from a single centralized command and potentially capable of concentrating within 48 hours at any threatened area in the country. The plans have being drawn up by Brig. Gen. Frank M. Andrews, who is in full command, reporting only to the chief of staff, General Douglas MacArthur. The plan is in line with General MacArthur's broad program for centralizing America's air forces. In the past, a concentration of all American sky fighters in any designated area would have meant the loss of valuable time in the process of approval and action through widely seperated corps areas. The general headquarters air force on the contrary will move upon an instant's notice from one man.

Manchuria to Atrange with Russia for Through Air Service to Europe

A message from Changchun says that Manchukuo has formally approached Moscow for the conclusion of an air mail treaty between the two countries. The authorities at Changchun are stated to be so certain that the Soviets will accept the proposal that they have already begun preparations for a through air-mail service between Changchun and Moscow. If the service materializes, mail between Tokyo and London will require only six days in transit.

Nine Japanese Army Craft on Manchukuo Tour

The Japanese Third Airforce Regiment with nine scouting craft is making a 5,383-kilometer circuit flight to Manchukuo and back. The flight started at Yokhaichi April 18 with Tsitsihar as destination. The round trip was expected to be made in a week.

Southwest to Have Civil Aviation Corporation

As a result of an agreement reached between the Southwest Civil Aviation Corporation and the Kwangtung and Kwangsi Provincial Governments, the capital of the said corporation has been fixed at $2,000,000. Of this amount, it is understood, 30 percent will be appropriated from the government treasury; while the remaining portion will be secured from private shares. Steps are being taken by the responsible authorities to solicit shares from prominent business men in Kwangtung and Kwangsi.

"Chinese Lindbergh" Given Diplomatic Post

Chang Hui-chang, former Director of the Aviation Department of the Ministry of Military Affairs, was appointed Minister to Cuba by the Executive Yuan at its weekly meeting April 23, to succeed Lin Ping. Mr. Chang is better known as the "Chinese Lindbergh" for his successful flight from Canton to Mukden and back in 1928.

C. N. A. C. New Douglas Plane Placed at Disposal of Economic Mission

The big 14-passenger Douglas airliner recently imported by the China National Aviation Corporation for its Shanghai-Peiping service has proved its serviceablity in numerous tests made during the past week, with Major Victor Bertrandis factory expert at the controls. On several flights, guests, including foreign and Chinese newspaper men, were taken on trips over Shanghai and vicinity. Trips were also taken to Nanking and back. For the moment the plane has been placed at the disposal of the American Economic Conmission. It is expected to put the plane on the run to Peiping in the near future with Nanking as a port of call.

Eurasia Fare Reductions to Continue in Force

The Eurasia Aviation Corporation announced this week that the 25 percent reduction in passenger and freight rates which commenced February 1 will be continued until further notice. Special sight-seeing trips can be arranged on application.

Japan and Air Transport Progress

(*Chicago Tribune, March 18*)

Military susceptibility, which seems more acute as well as more influential in Japan than in any other country, protests the plans of American aviation enterprise for establishing air lines over the Pacific. The Japanese press is making a great to-do about it and an anonymous authority is quoted as alleging that "this project can be regarded as military preparations in the guise of civilian enterprise". Color is given this charge by the fact that the American navy department has given permits for the experimental planes to land on the three islands under its administration, Wake, Midway, and Guam.

Of course the American public knows these charges are unfounded, that in fact the plans for air lines over the Pacific are only the natural expansion of our commercial aviation, which aspires to extend its service as widely as possible. It already has regular lines to Central and South America and it is expected will soon have lines to Europe. There has been no objection to this development from these countries, for its meaning is understood. Only Japan has conjured up the military bugaboo.

Every one realizes that aviation development has military potentialities everywhere. The only way to eliminate them is to eliminate aviation, or at least to place such restrictions upon it as would cripple its natural progress and deprive international commerce and communication of the great facilities possible through this form of rapid transport. That is a sacrifice we and other nations interested in aviation would not consent to make. All the nations of Europe, which have as much reason to be sensitive to the military possiblities of aviation as Japan, are now connected by regular commercial airways. We can account for the Japanese protest only as another example of a disposition to find occasion for hostility to America in everything we do. There is not the slightest inclination in the government or people of the United States to pick a quarrel with Japan, but the distrust and unreasonable interpretations of normal American activities which the Japanese press and Japanese leaders indulge in are a deplorable factor in the relations of the two peoples making friendly and mutually beneficial relations very difficult.

There is no such conflict between the major interests of Japan and the United States as would justify war. There is no inclination in the American government or nation toward war with Japan or any other country. On the contrary, there is on our side a full realization that war betweeen Japan and the United States would be inexcusable folly. Yet certainly the Japanese press and government are cultivating toward us a hostility which is gravely undermining the prospects of friendly relations and preparing the way for a collision sooner or later which can and should be avoided in the interest of both peoples and of the world.

Lenox Simpson's "Harbin Herald" Is Discussed is House of Commons

The suppression over a year ago of the *Harbin Herald*, a journal owned and published by E. Lenox Simpson, was the subject of discussion in the House of Commons April 17, when a Liberal Member asked what was the present position in regard to the claim for compensation lodged with the Manchukuo authorities by the British Consul-General at Harbin, C. F. Garstin.

Lord President Baldwin, in reply said that the Manchurian authorities had refused to recognize the validity of the claim. The possibility of further steps on behalf of Lenox Simpson, he added, were being examined in consultation with the British Consul General at Harbin. The *Harbin Herald* was suppressed by the Manchurian authorities on the ground that it was disseminating Communist propaganda, and an effort was made to deport the editor and publisher, Lenox Simpson (who is the brother of the late B. Lenox Simpson "Putnam Weale," the author) took refuge in the British Consulate-General in Harbin and later voluntarily left for Dairen.

Earthquake in Formosa Takes 3,185 Lives

Three thousand one hundred and eighty-five persons were killed, and more than ten thousand injured as the result of an earthquake that shook the northwestern coast of Formosa, early in the morning of April 21. Railway traffic was interrupted as the result of seismic shocks, which at their peak rocked the ground 16 millimeters in Taihoku.

The center of the disturbance was found to be in the upper reaches of the Gorokei River, about 70 kilometers southwest of Taihoku, in Shintake province. More than 25 instances where tunnels caved in, bridges were destroyed or embankments had collapsed were reported in the 40 mile stretch between Taihoku and Shinchiku. The shocks in Taihoku caused practically all Government buildings in Taihoku to develop cracks.

Seisuigai, coast city in Taichu province, was almost entirely destroyed by fire after more than 70 percent of all buildings had been damaged by the earthquake. The majority of the victims, according to Red Cross officials, are natives, that is descendants of the early Chinese settlers. Taichu and Shinchiku provinces were hardest hit. In countless places, persons were trapped before the eyes of relatives and friends. Many of the stricken districts are poorly provided with medical facilities.

Ravines, six to eight feet deep, with muddy water rushing through, have been created by crevices that ripped open streets and hard-surfaced roads. Houses on both sides of these highways were all damaged, with a large majority wrecked beyond repair. Shortly before dawn, another strong shock again caused excitement among the groups of exhausted homeless people, who are believed by the authorities to be in excess of 18,000.

Earth tremors, occurring at almost hourly intervals, continued during April 22. Throughout the night, rescue crews, consisting of soldiers, policemen and members of Young Men's and Reservists' Associations, went by the light of candles and kerosene lanterns to bring succor to the injured and to remove the dead from the debris in various towns and cities.

Fifteen squads from the Army Medical Corps detachment stationed at Taichu were ordered to various localities in the area hit by the earthquake to aid in relief operations. Other medical units were mobilized and put into the field under the direction of the Military Hospitals at Taihoku and Tainan.

Governor-General Announces Formosa Relief Appropriation

Kenzo Nakagawa, Governor-General of the island, announced April 22 Yen 16,000,000 would be provided by the Government for reconstruction activities. The amount is being appropriated from the second reserve funds of the general accounts to the Government-General.

Popular subscriptions for the relief of victims of the Formosa earthquake were opened by various newspapers and charitable bodies in Tokyo immediately, as officials decided to forgo their Sunday rest for the discussion of relief measures.

The American Red Cross, through Admiral Grayson, Chairman of the organization and the British Navy at Hongkong made offers of assistance. The Japanese (Formosan) Government, however, declined all offers of help from abroad, with formal notes of thanks.

Formosa is the Portuguese rendering of the Spanish word "hermosa", meaning beautiful. The old Chinese name of the island, which the Japanese also use, is Taiwan, meaning "big bay." It was ceded to Japan by China following the war of 1894-95 and now forms the southernmost extremity of the Japanese Empire. Taihoku, seat of the Government-General, is located near the northern extremity of the island and is laid out along modern lines, most of its buildings being constructed with bricks. The city covers an area of 15 square miles, where reside 196,000 persons, of which 54,000 are Japanese, 128,000 natives and 13,000 foreigners. Rice, sugar and camphor are the major products of the island.

A description of conditions in Formosa was given in an editorial in *The Review* April 20 entitled, "Japan Initiates Limited Formosa Reforms—Chinese Officials Attend Taihoku Celebration."

Mount Asama Erupts, Sets Forest on Fire

The earthquake in Formosa was part of a seismic disturbance which caused Mount Asama, central Japan's only active volcano, to erupt during the night of April 20, when showers of burning lava and ashes descended over a wide area. Burning rocks, emitted by the roaring volcano, set afire the Konumamura National forest, but the flames were checked at 11 o'clock at night after they had laid waste nine square kilometers of timberland. Scores of foreign Easter visitors to Karuizawa, nearby mountain resort, had to use umbrellas to protect themselves from falling ashes.

Earthquake in Persia Causes 600 Deaths

About 600 persons were killed in an earthquake which rocked Persia for several days early in the week.

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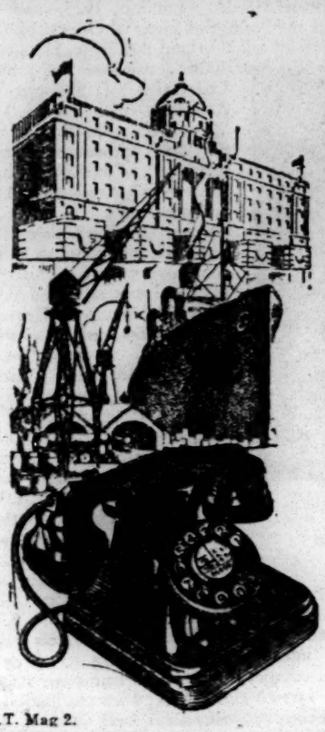

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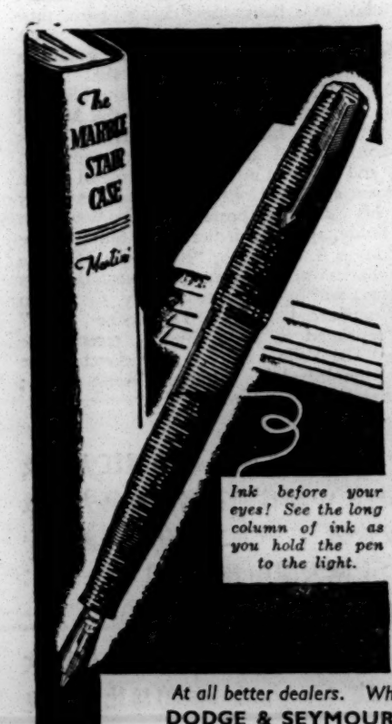

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Who's Who in China

Edward M. P. Chao, artist and musician; Laureat of the Brussels Royal Conservatory; born at Ningpo, Chekiang, 1907; first was graduated from Ningpo English Methodist College; later was graduated from the University of Shanghai; received his early musical education from Dr. E. J. Anderson; studied under Herbert Cave, tenor of Covent Garden, London, 1925, and then under Prof. P. Selivanoff, of the Petragrad Imperial Opera, 1926-29; in charge of Music Department of Wayland Academy, Hangchow, 1926; assistant of music, University of Shanghai and Academy of Shanghai, 1927; instructor of music appreciation and chorus conducting, University of Shanghai, Shanghai Arts Academy, 1928; instructor of music, the Eastern Intercollegiate Summer School; went to Europe on a governmental scholarship 1929 and was admitted in the class of Maurice Weynandt for professional singing; selected as a soloist of the leading Brussels Oratorio concerts, "Concerts Spirituels," and participated in Mendelssohn's "Elijah," Wanger's "Parsifal," and Henrich Schutz's "La Passion selon Saint Matthieu," 1932; soloist of the Belgium National Broadcasting concerts, gave public recital at Geneva during the Sino-Japan Incident, in the presence of Ministers Wellington Koo, Quo Tai-chi, Victor Hoo, Lo Chung-I, W. S. King, T. Chien, 1933 April; won a *First Prize* and *Elkin Prize* for artistic singing and interpretation according to Western classical method in a public competition with 53 European singers, judged by a jury of world known authorities; after graduation he appeared in many cities in Belgium; visited England Winter, 1933 and sang in London and Oxford; toured America 1934; has given recitals in New York, Brooklyn, New Jersey, Lewisburg, Pennsylvania, Philadelphia, Washington D. C., Virginia, Baltimore etc.; appeared in the National Broadcasting net-work many times; maintains a Vocal Studio in Baltimore doing part time teaching besides concert trips; director of an American Women's Chorus in Baltimore, "Mei-Pa Chorus," organized by the graduates of Goucher Girls College; has accepted the chair of professorship of singing and chorus conducting at the National Conservatory of Music, Shanghai; a member of the Musical Committee of the Ministry of Education; he is the first professional singer and accomplished artist, carefully trained in Western classical method, and has been unanimously praised by the critics of both the Continent and the United States for his highly artistic accomplishment; his devoted professor M. Weynandt has recently published a Study, specially dedicated to him, in the leading French Musical Edition A. L. Hetch, "Repertoire Moderne de Vocalises-Etudes"; he has transcribed some Chinese folk songs to art songs with success; author of "Introductory Course in Western Music" (1926 Commercial Press), "La Cloche Jaune" published in Bussels and reprinted in Lyon, France; recently he translated it into English, "The Yellow Bell" (a brief sketch of the history of Chinese Music) published in Baltimore, Reese Press; address: Barberry Hill, Baldwin, Maryland, U. S. A.

趙 梅 伯
Edward M. P. Chao
(Chao Mei-pa)

趙梅伯，浙江甯波，年二十九歲，畢業滬江大學及比京皇家音樂院聲樂科，幼曾從英名歌家葛夫及俄歌劇家賽氏學唱歌及音樂；一九二六任杭州蕙蘭中學音樂主任；一九二七滬大滬中音樂教員；一九二八滬大兼美專晏摩氏等校音樂指揮及教授，一九二九由蔡了民，朱經農，褚民誼諸先生請求中比庚款資送入比京皇家音樂院；一九三一被聘爲比京大規模神劇音樂會之獨唱員；一九三二聘爲比全國無線電音樂會獨唱員，一九三三應顧維鈞，郭泰祺，胡世澤各公使之請在日內瓦開個人售票音樂會；一九三三夏應比皇家音樂院公衆考獎，與賽者有歐各國男女專修唱歌者五十三位，由歐音樂名家評定爲頭獎並愛爾乾獎，離歐前在比各城開音樂會，繼赴英考察，在倫敦牛津大學各處表演，一九三四來美已在紐約開售票音樂會，並在美全國廣播音樂台表演數次，又在美東部各大城，及團體及學校開個人音樂會，趙君已應上海國立音樂院担任聲樂及指揮歌隊並教育部音樂委員，現除音樂會演唱外，在美國鮑城設有音樂室教授美男女學生，並任格羅希女校畢業生組織之女歌團指揮，趙君著有中外歌唱入門(一九二六商務)，法文黃鍾史(比出版法重版)，最近趙君又將此文翻爲英文在鮑城出版。名黃鍾，並改中國民曲數首爲藝歌，關於趙君歌藝，有歐州音樂專家及報評鑑一册，並鮑城史密斯音樂會經理出版之關於趙君在美之報評通告。

Motion Picture Conference Speaker Says Films Should Be Instructive

The second National Motion-Picture Conference, convened by the Central Party Publicity Committee, was held in Shanghai April 4 with over 50 representatives of Chinese motion-picture studios in attendance. Yeh Chu-tsang, Chairman of the Central Party Publicity Committee, who presided, in a speech said motion pictures, depicting as they do the social order of the country in which they are made, should be so filmed as to be instructive as well as amusing. In other words, the educational value of the motion picture should be kept in mind by all motion-picture studios. The task of improving and promoting the native motion-picture enterprise, he said, should be shared equally by the Government and the motion picture companies.

A report on the work of the Film Direction and Guidance Committee during the past year was made by Fang Chih, Secretary of the Central Party Publicity Committee. He said that in order to supply the motion-picture companies with a central theme for their pictures, the Central Publicity Committee has decided upon the New Life Movement as a suitable subject. The various studios have been instructed to plan their pictures so that the national virtues of propriety, righteousness, honesty and honor may thereby be revived and promoted.

Mr. Fang added that in order to prevent unnecessary losses to film producers, the process of film censorship has been greatly speeded up. According to statistics, of the pictures censored last year, 50 per cent were censored and returned to the companies in 2 or 4 days. A regulation has also been decided upon for the return of pictures to their producers within 12 hours after censorship; also with regard to the suppression, by the Foreign Settlement authorities, of pictures which have been duly approved by the Central Film Censorship Board (jointly organized by the Ministries of Interior and Education), the Ministry of Foreign Affairs has been requested to take up the matter through the usual diplomatic channel.

Resolutions were adopted that an economic bloc be formed for the promotion of the domestic film industry; that the export of native films to foreign countries be promoted with a view to assisting the national propaganda; and that motion-picture experts be trained, and factories for the manufacture of motion-picture equipment established, under the auspices of the Central authorities.

Prizes ranging from $200 to $400 are offered by the Central Party Publicity Committee for motion-picture scenarios of educational value and which are conducive to the promotion of the canons of the New Life Movement. A motion-picture based on the selected scenarios will be made by the Committee in the nearest future, it is announced.

China-American Visa Charges Reduced From U.S.$10.00 to U.S.$2.50

A reciprocal agreement with China on the question of visas, the cost of which has been substantially reduced, was announced in Washington April 20 by the U. S. State Department. Henceforth, Chinese travelling to the United States and Americans returning to China, or entering it for the first time, will have to pay only U.S. $2.50 or its equivalent in Chinese currency. Americans in transit through China will be visaed free. Hitherto both Chinese and American visas have cost U.S. $10. The new visa fees will go into effect July 1. It is understood that the visa will be valid for one year—although no definite news on this point has so far been received at the American Consulate in Shanghai.

Marshal Chang Hsueh-liang Entertains Dr. John R. Mott

(From the Review's Correspondent at Hankow)

Marshal Chang Hsueh-liang returned to Hankow April 17 from Kweiyang, Kwichow, where he had been in conference with General Chiang Kai-shek on the general political and military outlook in the central and west China areas. He reports that the condition of the common people in Kweiyang is not very enviable. Due to the mismanagement of governmental affairs things had come to a pretty pass. Now the situation is brighter due in large measure to the unstinted efforts of Generalissimo Chiang Kai-shek. Besides carrying on his vigorous campaign to eradicate the Red menace, he is doing everything in his power to relieve the all too apparent poverty of huge sections of the populace of the mountainous province of Kweichow.

The Reds under the leadership of Mao Cheh-tung are said to be fleeing in a southwesterly direction from Kweiyang, government bombing planes in increasing numbers assisting with their death-dealing bombs. Whether it will take a longer or shorter period. General Chiang Kai-shek is camping on the trail of the Reds and is determined to give them no quarter. If he had a dozen subordinate generals half as devoted to the cause and willing to sacrifice for the welfare of their country, the whole expensive campaign against these enemies of the state could be liquidated in a few months time at the most. When one contrasts the lukewarmness of several generals in Szechwan, with the Reds' zeal one is not surprized to find that some of them are being eliminated by the Nanking government.

On Saturday representatives of all the protestant missionary societies operating in this area met with Dr. Mott in an all-day conference in the Lutheran Building, Hankow. After a resume of the general world situation as he found it today, he sought the counsel and advice of the assembled missionaries on a number of vital points in regard to missionary work in China. Among those present were Bishop A. A. Gilman, American Church Mission, presiding, Rev. J. J. Heady, English Methodist Church Superintendent, Dr. Francis Wei, President of Central China College, Wuchang, Rev. E. Rowlands, Superintendent of the London Mission, Wuhan, and Dr. Ralph Mortensen, General Secretary of the Lutheran Board of Publication, Hankow. Besides these there were several government officials present, Mayor K. C. Wu of Hankow, Dr. King Chu, Commissioner of Education in Hunan, and Dr. Chen, Commissioner of Education in Hupeh.

Hankow April 22, 1935.

Universities and Colleges Ordered to Open Classes for Middle School Teachers

Eighteen universities and colleges in the country were ordered April 15 by the Ministry of Education to open special classes on science, history and English for middle school teachers during the coming summer vacation. The same order instructs that training classes for primary school teachers be continued as in former years during the summer vacation and that school hygiene be added to the courses of study.

One hundred and seventy-thousand chilren of school age in Loyang have been able to receive elementary education, according to advices from said city. This gratifying result is generally attributed the strenuous efforts on the part of the educational authorities in enforcing compulsory education.

Lih Teh-ching and Wu Ieu-liang, two Chinese students from St. John's Middle School in Shanghai are included in the Dean't list of undergraduate students of high scholastic standing a Massachusetts Institute of Technology, Cambridge, Massachusetts.

The proposed Sino-German Cultural Association sponsored by German returned students in Nanking will be formally inaugurated on May 12 at the German-Austrian-Swiss Returned Club in Shanghai.

Dr. Hu Shih Says Classics Are Not Real Education

Dr. Hu Shih, dean of Arts and Letters of the Peiping National University, in an interview in Shanghai last week stated the teaching of Chinese classics should be abolished in Chinese schools as it has tended to bring about "half understanding" in immature minds. He added that the study of Chinese classics, as required by Chinese schools, has tended to bring about a muddled state of mind among the young, and it is ridiculous to encourage this state of affairs.

Communal Riots in India

Several persons were killed and scores injured by the Police in quelling communal riots at Forozabad, in the Agra district, and at Botad, in Bombay Presidency, India, April 14.

亞林沙而

為褐色澄明之濃液含有百分之五十 CRESOL 殺菌力非常準確偉大誠可供醫院一切用具之消毒以及治療皮膚諸症。

家庭洗滌衣被噴洒房室消毒防疫裨益衛生。

人體常用浴能增強皮膚抵抗病菌。

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Men and Events

Dr. C. T. Wang, former Minister of Foreign Affairs, took a trip to Hangchow during the early part of the week.

Professor W. B. Cannon, professor of Physiology at Harvard University, was a visitor at Peiping during the week.

Miss Antonina S. Dozenko of Shanghai was married to Victor Bellini of the U.S.S. *Augusta* by Judge Helmick on April 18.

The Chunking branch of the *Central News* Agency was inaugurated April 18, when a dinner reception was given to press representatives.

Miss Mary Fong, daughter of Fong F. See, gave a graduate recital at the McTyeire School, in Shanghai April 26, assisted by Miss Fong Yang Vung-tsing.

C. W. Corbaley, manager of the Hankow branch of Messrs. Andersen, Meyer & Co., returned to Hankow this week, after a ten days stay in Shanghai.

The Rev. E. W. Luccock, pastor of Community church, Shanghai, who is now in the United States on leave, is scheduled to return to Shanghai the middle of next August.

Mrs. Paul Harvey, wife of P. Harvey of the American-Oriental Banking Corporation, is leaving Tientsin early next month for the United States with her young daughter.

Mr. and Mrs. Edward S. Crocker of Tokyo were entertained by Consul General and Mrs. Monnett B. Davis at a cocktail party in their consulate compound apartment, in Shanghai, April 22.

Frederick W. Bender, who has been appointed manager of the Kobe branch of the National City Bank, departed from Tientsin last week with Mrs. Bender and their two daughters.

Lord and Lady Li Ching-mai gave a dinner party at their home in Avenue Haig in Shanghai April 18 in honor of Admiral F. B. Upham of the United States Navy in China, and Mrs. Upham.

An additional suit was filed in the U. S. Court for China April 23, against the Peking Union Medical College, when Dr. John J. Wolf presented a petition claiming $23,648.96 for breach of contract.

The Ministry of Industry has appointed Pi Tso-chiung as delegate to the forthcoming International Agricultural Technics and Chemistry Conference and the International Afforestation Conference in Brussels.

A memorial service was held in Nanking April 16 in commemoration of the third anniversay of the inauguration of the Central Overseas Affairs Commission. Chen Shu-jen, Chairman of the Commission, presided.

In accordance with a petition of the Judicial Yuan, the Central Political Council at April 17, under the chairmanship of Yeh Chu-tsang, approved the summoning of a National Judicial Conference on September 16 this year.

Miss Nettie Ssu Tu of Nankai University has been re-elected president of the Tientsin chapter of American Association of University Women. Mrs. C. N. Joyner was elected vice-president, and Mrs. John Trachsel, secretary-treasurer.

H. E. Arnhold, head of Arnhold & Co., was re-elected chairman of the Shanghai Municipal Council at the first meeting of the Council held April 18. W. P. Lambe, who was not present at the meeting, was elected vice-chairman.

Dr. Paul Monroe, member of the Board of Trustees of the China Foundation for Promotion of Education and Culture, was the guest of honor at a dinner reception given by Wang Shih-chieh Minister of Education in Nanking Apr. 20.

The death occured in San Francisco April 9 of Professor Mahl of the University of California who was noted for his extensive knowledge of Japan and Japanese art. He held the post of History of Japanese Art at the University.

The Shanghai Electric Construction Co., (Tramways) paid a dividend of 13 per cent for the past year. The dividend was declared at the meeting of shareholders in Shanghai last week—the first since the control was transferred here from London.

It was decided at a meeting of ranking officials of the Municipal Bureau of Social Affairs in Nanking April 18 that mass marriages will be held in the capital twice a year, in the spring and autumn. As in Shanghai, a fee of $20 will be charged for each couple.

Miss Louise Wallace Hackney of New York, well known as author, lecturer and dramatic critic, arrived in Shanghai this week and plans to spend several weeks traveling and studying in China. Miss Hackney is a member of the China Society of America, National Arts Club and other organizations. She is staying at the Palace hotel.

M. Bogomoloff, the Soviet Ambassador to China, arrived in Shanghai Apr. 22 by way of Japan after a long furlough in Russia, accompanied by Mme. Bogomoloff and his Chinese secretary. In an interview, M. Bogomoloff stated that negotiations for the conclusion of a Sino-Soviet Commercial Treaty would be continued after his arrival as soon as instructions had been received from the Soviet Government.

John P. Ketcham, American Consul, arrived in Tientsin last week with Mrs. Ketcham to take up his duties at the Consulate-General in the northern part, after a six months furlough in the United States.

Miss Leonore T. Barry, daughter of Mrs. Charles Joseph Barry, was married to Lieut.-Comdr. Emmet Peter Forrestel, U. S. N. by the Rev. Father Moore at the Gonzaga Chapel in Shanghai April 20. The bride was formerly secretary to U.S. Consul General Cunningham.

The second annual meeting of the Sino-Polish Cultural Association will be held on April 27 at the auditorium of the Ministry of Education. The Sino-British Cultural Association is planning to construct a new building in Nanking with funds, appropriated by the Sino-British Boxer Refund Commission.

Prof. Ralph Tyler Flewelling of the University of Southern California, and Mrs. Flewelling sailed from Yokohama for the United States April 16. Professor Flewelling had been in China during last winter with headquarters at the College of Chinese Studies and given lectures at various centers in China.

Miss. Emma Ruhl of Kingston, N. Y. who has been the guest of Mr. and Mrs. Julius Kleffel of the American-Oriental Banking Corporation, departed this week for her home in the United States. Miss Ruhl, who is the aunt of Mrs. Kleffel, also visited friends in the Philippines while on her trip to the Far East.

General Chiang Kai-shek, President of the Military Affairs Commission, has promised the Nanking Municipal Government a monthly appropriation of $10,000 (for a period of one year) towards the expenses for the construction of living quarterss for the poor in Nanking. The new tenements will be erected at Tung Tsi Gate.

A Far Eastern Cruise party of the University of California Alumni Association was due to arrive in Shanghai April 26. The party will be honor guests at the annual spring dinner dance of the American University Club at the Canidrome. J. E. Perkins, president of the local California alumni group, will act as official host.

Three gangsters, one of them armed, held up T. Ide, an employee of the Japanese Hankow Bank, in Boone Road, Shanghai, and relieved him of $9,000 in cash, which he was carrying wrapped up in a handkerchief during the forenoon of April 20. The gangsters warned Mr. Ide not to raise an alarm and immediately took to their heels.

O. S. Lieu, manager-director of the China Merchants Steam Navigation Company, called on Dr. Chu Chia-hua, Minister of Communications, and Kao Ting-tzu, Director on the Navigation Department of the Ministry in Nanking beginning of the week to report on the affairs of the Company and confer concerning the liquidation of its loan obligations.

Richard Nieh, son of C. W. Nieh, was married in Shanghai April 20 to Miss Lydia Wu, and instructor in music at St. Mary's College. Chow Tso-min, general manager of the Kincheng Banking Corporation officiated at the ceremony and Dr. J. Leighton Stuart, president of Yenching University, and Homer I. Sung of the Commercial Press, acted as witnesses.

More than 200 persons attended the special dinner of the Men's Brotherhood Forum of the Peiping Union Church held in the Grand Hotel de Pekin on April 15 in honor of Dr. and Mrs. John R. Mott. Following introductory remarks by the President of the Brotherhood, Lyman Hoover, Dr. John C. Ferguson, honorary chairman, introduced the speaker. Dr. Mott spoke on "The Present World Outlook."

Miss Pearl White, a cinema star of the silent film period, Miss Emily Hahn, author, and her sister, Mrs. Herbert Ashbury, wife of the author of "Barbary Coast," were guests at the studio headquarters of the International Arts Theater group in Shanghai April 19. Miss White, who stopped here two weeks ago on her way to Hongkong, returned to Shanghai for a short stay preparatory to sailing for France.

C. Walter Young, who is the Senior Associate in the Far East of the Institute of Current World Affairs, New York City, arrived in Shanghai from Peiping end of last week accompanied by his wife. Dr. Young was counsellor and legal adviser to the Lytton Commission of Enquiry, is the author of several books on Manchuria, having formerly held faculty posts in the University of Minnesota and the Johns Hopkins University. Dr. Young will act as one of the judges at the China Kennel Club's annual dog show in Shanghai April 27.

Figures recently released by the Manila Police Department, show that Chinese lead all other foreign resident in number in that city. The Japanese rank second and Americans are in third place. The figures for 1934 follow: Chinese, 29,991; Japanese, 2374; Americans, 1952; Spaniards, 1754; Germans, 299; British Indians, 223; British, 182; Russians, 79: Swiss, 75; Portuguese, 70; French, 43; Belgians, 41; Turks, 32; Siamese, 30.

Mr. and Mrs. O G. Steen of the Dollar Company were hosts on Tuesday evening, April 23 at a reception and cocktail party at their home on Route Adina in honor Mr. and Mrs. J. Harold Dollar of the home office of the Dollar Company who are now in China with the U. S. Trade Mission. Mrs. Almer Newhall, who is traveling with Mr. and Mrs. Dollar was also present. A large number of guests was present. Mr. and Mrs. Dollar will accompany the mission on its trip through China and will return to the United States in about three weeks.

U.S. Tariff Commission to Investigate Japanese Competition

President Roosevelt April 17 ordered the Tariff Commission to make an immediate investigation into complaints against the import of bleached cotton-cloth. This action was taken on the recommendations of the National Recovery Administration Board, which had been studying the complaints of cotton textile traders to the effect that imports of foreign goods, particularly from Japan, were damaging to the American industry.

Edith Rogers, Republican member of Congress, on April 18 gave a graphic demonstration of Japanese competition when she displayed an array of stage properties, including a pair of shoes, a set of hinges, two flashlights, two boxes of matches, bolts of cloth, etc. She stated that American hinges sell for three and a half dollars, compared with a similar article manufactured in Japan, which the Japanese are able to sell for a dollar and a quarter. The American flashlight manufacturer must get 59 cents for his completed article, while the Japanese can sell a similar one for 39 cents, she said. She gave similar comparisons of the other articles.

The San Francisco *Daily News*, Scripps-Howard newspaper, revealed that shippers from over a wide area are submitting a long string of facts to the Hearst press in an effort to show that "Japan buys so much more from the United States than she sells to us that it isn't even funny and, as our only important remaining export outlet for raw cotton, Japan is the emergency plank which keeps a big part of our country from sinking up to the very hubs." This was in reply to an anti-Japanese campaign in the *Hearst* newspapers.

President Roosevelt April 19, appointed a special Cabinet Committee composed of the Secretaries of States for Commerce, Agriculture and Labor to study the "emergency problem" of the American cotton industry and its plans for the future, particularly as regards the effect of Japanese competition and the effect of the processing tax. Pres. Roosevelt previously pointed out that investigation of Japanese imports of cotton cloth showed that importations, if carrried on at the present rate for the rest of the year, would amount to less than one per cent of American production. American textile interests replied that the Japanese competition was nevertheless sufficient to upset prices.

Russel T. Fisher, Secretary of the National Association of Cotton Manufacturers, issued a statement from Boston April 14 saying, that five million yards of Japanese cloth was being offered monthly in New York under United States' costs, keeping prices ruinous. He said that Japan has taken hundreds of millions of yards from United States exports, particularly in the Philippines where, he urged, the State Department should take measures for protection.

A survey of the New England textile industry released in Boston, April, 22, shows the industry literally fighting for existence. Fifteen large mills have been forced to close down since the first of this years. The blame is laid on the processing tax.

Viscose Yarn Prices Reduced in U.S.A.

The Viscose Company, the largest American producer of Viscose yarns, April 17 announced a reduction of yarn prices ranging from two to 12 cents per lb. There were no indications whether other producers would follow suit.

Four Japanese Arrested for Attempting to Enter U.S.

Four Japanese and four Americans were arrested in San Diego, California, April 9, on charges of violating the immigration law. The Japanese are accused of illegal entry into the United States and the Americans are accused of smuggling them across the Mexican border.

"New York Times" Will Be Directed by Three Trustees

The *New York Times*, gigantic newspaper property founded by the late Adolf S. Ochs, will be directed in the future by three executors and trustees, under the provisions of Mr. Ochs' will, filed for probate in New York 18. The estate will be administered for the benefit of Mrs. Essie Wise Ochs the widow, and Mrs. Iphigene Ochs Sulzberger, daughter of the late publisher.

Federal Housing Administrator Reports Appalling Housing Conditions

Miss Anne McIntyre, of the Federal Housing Administration, in a report to President Roosevelt April 21 stated that fifty per cent of homes in the United States do not measure up to a minimum standard of health and decency. Four million families are doubled and tripled in cramped and dreary quarters. Great strides have been made to better conditions, it was pointed out, under the Home Owners Loan Corporation and the Federal Housing Act, but the situation is still most serious.

Oklahoma Senator Sees Possible Crash in U. S.

A crash of government bonds, greater than the panic of 1929, was predicted in a speech made in Boston recently by Senator Elemer Thomas. "The banks," the speaker added, "already hold between 15 and 16 billion dollars in government bonds. A decline of ten points would wipe out the capital stock of most banks in the United States."

In the United States Court for China

In re.
Estate of JOHN ROBERT KORFF, Deceased

Cause No. 3834
Special Proceedings No. 1013
NOTICE
Filed at Shanghai, China, March 28th, 1935.
William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of JOHN ROBERT KORFF, deceased, to present the same with vouchers to the undersigned on or before October 5, 1935, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

RAVEN TRUST COMPANY, FEDERAL INC., U.S.A.
Nanking Road,
Shanghai, China.

Shanghai, China.
March 28, 1935.

In the United States Consular Court, Shanghai, China

In re.
Estate of EUGENE ALBERT SILAGI, Deceased

Special Proceedings No. 157.
NOTICE
Filed at Shanghai, China, April 16, 1935.
William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of EUGENE ALBERT SILAGI, deceased, to present the same with vouchers to the undersigned on or before October 26, 1935, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

N. F. ALLMAN,
Hamilton House,
Shanghai, China.

Shanghai, China.
April 16, 1935.

New Books of Interest in the Far East

A Study of Asiatic Culture

A Pageant of Asia, by Kenneth Saunders, Litt.D. (Cambridge). Oxford University Press, London, 1934. 452 pages, with chronological charts and index. Illustrated.

Dr. Saunders is a well-known authority on the culture and religions of Asia and this excellently-planned book is a result of his twenty years' devotion to his chosen subjects. It is divided into three sections; the two on India and China are practically of equal length; that on Japan is slightly shorter. The author's aim is thus given in his own words.

"I hope there is enough material here to provide an introduction to cultures of profound interest and beauty. With all their failures India, China and Japan have a proud place in the family of nations, and a certain cultural unity underlies their deep differences. If India is mystical and metaphysical China is rationalist and humanist, and Japan is at once utilitarian and poetical. All have elements of mysticism and of a deep aesthetic and poetic genius, and all have produced men of action as well as men of vision. Yet it remains true that the Indian ideal is the Rishi—the Yohi—the Mahatma—me of transcendental vision: the Chinese ideal is the man of affairs who is also a scholar, and the Japanese ideal is the Samurai, or loyal servant of Emperor and overlord, faithful to death, stoic in endurance, touched to finer issues by a sad sense of the transiency of the world and its joys and sorrows. And in all Buddhism has quickened the native aestheticism, and taught ideals of compassion and contemplation. The modern revolt againat its other-worldliness may be a passing fashion: yet it contains within it the strong sense that the masses must be helped in more practical ways to enter into their rich heritage. It is clear that we who are heirs of Greece and Judea are also debtors to Asia. We owe much in the past to its vision: we owe it in the present the duty of trying to understand it. In choosing three great civilizations I have naturally had to reject much: but these three are the heart and brain of Asia, and other cultures, Muslim and Persian, are at any rate, touched upon as they have influenced these."

One can tell from reading his book that the author has lived in Asia. The volume is steeped in Asian culture. Throughout the text quotations from the classics are used freely to illustrate the cultural outlook of their respective ages. Chapter headings are dated and at the end of each chapter are found several pages of quotations with chronological tables to clarify the different periods of history.

As the classical quotations have been chosen to exemplify the beauty of written expression, so the beauty of art forms is shown in the illustrations.

There is no attempt to bring the entire stories of these great Asian cultures down to our modern day. The chief part of the author's text carries us only into the 16th century and later events are traced in hasty sketches. The Pageant is a richly-embroidered cultural appreciation of the aesthetic foundations of these eastern peoples. As one reads it the whole colorful procession of past ages passes before one and the cultutal inheritance of the East is shown in its entirety. Threads of culture imported from India into China are traced, as well as the later passing on of China's learning to Japan, which has,among the nations,become the greatest adaptor.

There are other books of similar nature for each culture studied, but in no other one volume have we seen so complete a review of the three cultures. The author's aim has been well carried out and his volume is a treasure house for the reader.

The book is well gotten up, and the arrangement is particularly good. The illustrations are fine and the index well-annotated.

April 12, 1935. G.B.S.

"Foreign Policy" Writer Discusses Germany Under Hitler

"Germany Under Hitler" is the title of a brochure written by Mildred S. Wertheimer, research associate of the Foreign Policy Association. She discusses dispassionately recent events in the Reich, and comments: "Although the Nazis have established a political totalitarian state, their economic measures have proved less radical in practice than in theory. Nazi economics have always been vague, partly because politics and political tactics, according to Hitlerite ideology, must take precedence over economic policy.

New Book by Barbusse on Stalin

The French press generally notes the appearance of a book by Barbusse entitled "Stalin." Barbusse, who has worked for several years on this book, gives a striking image of the leader of the proletarian revolution.

The Mexican Government vs. the Roman Church

The following are extracts from a historical and legal essay entitled, "The Conflict Between the Mexican Civil Power and the Clergy", prepared by Emilio Portes Gil, Attorney General for Mexico—copies of which have been sent to Shanghai by the Mexican Foreign Office.

At the end of the sixteenth century the capital amassed by the Church was very considerable; its income was enormous.

The wealth accumulated by the Clergy during the Government of General Diaz may be reckoned at over eight hundred million pesos.

It may safely be said that in the State of Peubla the Clergy owned two hundred rural properties, between estates, farms and lands; in the State of Michoacan the clergy owned twenty-six estates and farms; seven in the Federal District; eighteen in the state of Oaxaca, thirty-seven in the state of Guanjuato, and no less than twenty-five establishments for the collection of tithes, and twenty-eight in Jalisco.

The arrogance and pretensions of the Clergy are not founded on any mean tradition. It was the owner of Mexico, it owned the country morally and materially. By its doctrines it reduced men's minds to subjection by controlling the very sources of all enlightenment, owing to its grip on consciences.

In the constitution of 1917 it was found necessary to extend non-religious education to private primary schools and to exclude priests therefrom, as the first step taken in 1857 had not from the start achieved its purpose. It was found necessary to take drastic and efficient measures to effect actual nationalization of the Clergy's property, as they continued to hold it through outsiders, and to acquire still more property through the latter. It was found necessary to stop the flow of legacies obtained by confessors and spiritual directors (a practice as ancient as the clergy itself) by rendering the members thereof incapable of inheriting from any one not related to them within the fourth degree.

The members of the Clergy do not feel themselves subjects of the Mexican State, but of the Pope. Now, the Pope since he has gained temporal dominion over the Vatican State, has become the chief of a State. He has his Kingdom, his Court, his Senate, his Cabinet, his Ambassadors, etc., why should be not be looked upon as the head of a foreign Government? And if the members of the Clergy are mere subjects of that chief of State, and refuse to obey the administration of our country and even make opposition to our laws, what is there wanting to warrant was in considering them purely and simply as undesirable aliens?

"Far East Magazine" Covers Wide Range of Subjects

The Feb.—Mar. issue of *Far East Magazine*, of which W. Bartels is the chief editor, covers a wide range of subjects including aviation, shipping and the development of Nanking. The issue is profusely illustrated and well printed.

Chinese Tariffs Have Adverse Effect on Hongkong's Trade

The Special Depression Investigation Committee of the Crown Colony of Hongkong, which was appointed last September to determine what could relieve business congestion in the Hongkong area, made various suggestions in a 3,000-word report April 15. The report suggested that, if such an arrangement could be workod out without giving up its status as a free port or surrendering privileges or authority, Hongkong should secure a preferential trade agreement with China. This would be along the lines of enabling Crown Colony goods, manufactured within the area, to obtain free or preferential entry into Chinese soil. In return, it was suggested, the Hongkong authorities would actively assist Chinese officials in safeguarding the customs revenue. This Committee unanimously rejected a suggestion that Hongkong should abandon her free trade policy in favor of tariff of trade bargaining agreements either with China or any other countries. Referring to the Chinese restriction of foreign imports, the Committee admited that China's tariffs have greatly injured trade in the Colony, and suggested the establishment of a manufacturing zone by Hongkong interests inside the Chinese tariff zone on the mainland of the Colony.

Principal British Steamship Line on China Coast Lost £45,000 Last Year

A loss of over £45,000 in the working account was reported at the annual meeting in Hongkong April 18 of the Indo-China Steam Navigation Co., Ltd. The chairman reported that there had been unparalleled competition in the coastal and river trade, while the high price of silver had proved increasingly objectionable. Referring to the question of smuggling, he said that preventive measures inaugurated by the company had arrested illicit shipping to some extent, but until the real culprits were punished instead of ships being fined, smuggling would continue to be profitable.

Engineering Works Managers Ask Preference Shareholders to Forego Priority

The annual meeting of shareholders of the New Engineering Works in Shanghai last week was enlivened by questions of various kinds put by L. Soyka, a local share broker of Czecho-Slovakian nationality. The Works are among the various enterprises managed by Arnhold & Co., (a Sassoon subsidiary), another being the China General Omnibus Co. The New Engineering Works capital is five million taels (equal to seven million dollars), equally divided between preference shares designed to pay eight per cent per annum, and ordinary shares, to pay whatever the company can earn. In prosperous years the ordinary dividends have sometimes been greater than the preference dividends. This year the preference shareholders, for the first time in history, got nothing. The last ordinary dividend was in 1932 (six percent). H. Arnold, presiding, in his speech to the shareholders, held out little hopes for a dividend for some time, and suggested that preference shareholders should forego their preference and exchange them for ordinary shares, so as to facilitate a possible amalgamation with the Shanghai Dock & Engineering Co. One of Mr. Soyka's suggestions was that managers should be appointed for the Works that had practical knowledge of the engineering trade. The preference shares are widely held by investors, but they have no vote at annual meetings. Arnhold & Co. and allied interests own large blocks of ordinary shares. If the proposition to exchange preference shares for ordinany shares should be adopted, the preference shareholders would secure a part in the voting but would lose their prior claim in the assets of the company, and the present managers and directors would have their control of the concern strengthened.

Watch Your Tongue!

The state of your tongue is a sure indication of the condition of your stomach; it should be red and clean. If it is furred or yellow it is a sign that your stomach is out of order, and you should at once seek a remedy to put it right. Pinkettes are what you need!

These ideal little laxative pills dispel constipation, gently tone up the liver, aid digestion, banish biliousness and sick headaches, clear the skin of pimples and eruptions, ensure regular elimination, pure breath and the bright eye of health.

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THE GENTLE LITTLE
LAXATIVE LIVER REGULATORS
From Chemists Everywhere.

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The National City Bank of New York, Rates of Exchange

Shanghai, April 24, 1935

Demand selling rate on America:	U.S.$1,00=Sh. $ 2.52
Demand buying rate on America:	U.S.$1,00=Sh. $ 2.48
Demand selling rate on London:	£1.0.0=Sh. $12.23
Demand buying rate on London:	£1.0.0=Sh. $12.08

In the United States Court for China

BESS H. McALISTER, Plaintiff, vs. GEORGE F. McALISTER, Defendant.	Cause No. 3852 Civil No. 1799 ORDER Filed at Shanghai, China, April 23, 1935. William T. Collins, Clerk.

The object of this suit is an action for divorce.

WHEREAS, plaintiff herein, by her attorneys, has this 17th day of April, 1935, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 17th day of April, 1935, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 17th day of April, 1935, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor has he resided therein since October, 1933, and that defendant's last known address was 45 Grange Street, Rusholme, Manchester, England, c/o Mr. Frank Mee.

NOW, THEREFORE, it is this 23rd day of April, 1935, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the *China Weekly Review*, a paper of general circulation most likly to reeach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occuring after the 11th day of May, 1935, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,

this 23rd day of April, 1935.

MILTON J. HELMICK,
Judge.

CUSTOMS NOTIFICATION No. 1442

The public is hereby notified that, in accordance with Government instructions, coastwise movements of manganese ore produced in Kwangsi will be exempt from interport duty from the 12th April, 1935, while shipments to foreign countries will remain liable to the payment of export duty.

H. O. Tong,
Superintendent of Customs.

L. H. Lawford,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 19th April, 1935.

Bank of Communications Makes Profit of $907,000 in 1934

At the annual meeting of shareholders of the Bank of Communications held in Shanghai last week it was decided to increase the capital of the bank from $10,000,000 to $20,000,000, by adding $10,000,000 in Government currency bonds. Of the bank's original capital of $10,000,000, $2,000,000 was subscribed by the government. As to the nine directors representing the government shares in the bank, (out of a total of 21) the Ministry of Finance is reported to have appointed, Messrs. C. T. Wang, T. L. Soong, Yang Don-fu, Sinloh Hsu, Yang Fu, Sheng Su-yu, Chang Su-yung, Li Cheng-yi and Chin Tsu-chieh.

The annual report of the Bank contained a summary of economic conditions in China, the principal points being the following: Substantial progress has been achieved with the Bank's avowed mission of assisting in the industrial development of the country. The lack of adequate equipment and intelligent guidance in the country's economic system and the after-effects of famine and other calamities in recent years partly account for the present depression, but China is also suffering from the effects of events not under her control. The high exchange rate of the silver dollar in terms of devaluated foreign currencies was mentioned as a serious impediment to China's exports. Cotton production showed an increase of about one million piculs, and the price was for a time higher than in 1933, due to better financial facilities provided by the banks, but the average market price of standard cotton for the whole year dropped seventy-nine cents per bale. The production and sales of raw silk sharply declined. Silk exports decreased by $29,000,000; and the price in Shanghai of both yellow and white silks dropped. Due to intense cold, the total harvest of tea in the principal production centres dropped to as low an 120,000 piculs. The price of green tea declined considerably, as there was practically no foreign market. Constructive measures both in the financial and political spheres stood out as signs of recovery. The loan services of the consolidated Government bonds and new issues were maintained intact. The new loans in domestic and foreign currencies amounted to $220,000,000. The provincial loans were floated mostly for the purpose of famine relief and municipal construction work. A reform was instituted in the collection of taxes, with revisions in the salt and Customs duties. The Ministry of Finance issued strict regulations designed to stop the making of spurious coins and counterfeit notes. Considerable progress was made during the year in the development of means of communications. Of the 22,000 kilometres of motor roads planned for the seven provinces in the Yangtse region, 3,290 kilometres were completed and opened to traffic. The development of light industries made much progress during the year, especially in Kwangtung. Good prospects are in store for the paper and piece goods industries, as evidenced by the decreased imports of these items. Control Commissions were organized to guide the marketing of yarn and cocoons. Important legislation was introduced by the Government to control the savings banks, and strict requirements in reserve funds were enforced. The larger banks established branches and extended their activities in the interior. The success of the bandit-suppression campaign in Kiangsi was an important political event. Political conditions in Shensi and Honan were also stabilized. Good harvests in Northern Kiangsu, Hopei and the North West counterbalanced somewhat the unfavorable circumstances of the year. The Government bonds rose steadily in price, free from violent fluctuations.

As regards the Bank's operations in 1934, it had formulated certain policies:—(1) To establish branches further in the interior, bringing still closer the relation between rural districts and towns, and provide financing facilities for rural requirements; (2) to establish warehouses wherever feasible, to facilitate the granting of credit against collaterals, and to pay special attention to the financing of productive enterprises; (3) to secure a greater working efficiency; and (4) to promote co-operation between banks so as to avoid unnecessary competition. The Bank labored under very difficult circumstances, but managed to carry out these policies item by item.

Total deposits at the end of the year amounted to $242,047,000, an increase of $29,055,000 as compared with 1933. The total of loans and investments at the end of December 1934 amounted to $214,891,000, an increase of $35,792,000 over 1933 or $50,636,000 over 1932. Remittances during the year amounted to $291,042,000, showing an increase of $80,418,000 over 1933 or $99,068,000 over 1932. The bank purchased drafts to the amount of $177,677,000, an increase of $71,457,000 over 1933 or $93,391,000 over 1932.

The total of savings deposits on December 31 last reached the figure of $30,028,000, showing an increase of $11,608,000 over 1933 or $19,738,000 over 1932. Fixed Accounts on the same date amounted to $21,756,000, an increase of $10,331,000 over 1933, or $16,440,000 over 1932. Current Accounts reached $8,272,000, an increase of $1,277,000 over 1933, or $3,298,000 over 1932. The net profit for the year amounted to $907,000, showing an increase of $6,000 over 1933, or $506,000 over 1932. Interest, remittance fee and commission formed the main items of the income. The total receipts were $5,161,000, showing an increase of $118,000 over 1933.

Railway Police Head at Tangshan Shot on Charge of Opium Smuggling

Convicted on the charge of opium smuggling, Wang Teh-hsun, former chief of the railway police (Peiping-Liaoning Railway) stationed at Tangshan, who was recently arrested at Tientsin, was executed in Hsiaowangchung (Tientsin) April 17 by order of the Headquarters of the 51st Army.

Since the promulgation of the regulations governing the suppression of opium and narcotic drugs by the National Government, 14 persons have been executed in Tientsin for offences within these regulations. Five of them were drug addicts, two were drug traffickers, five were guilty of inculpating others with false charges, and another two administered morphine injections to others.

Four hotels in Chinkiang, the Kiangsu Provincial Capital, were ordered closed for 10 days last week for allowing customers to smoke opium in their rooms.

Tientsin Heroin Addicts Beg for Admittance to Clinic

A scene of utter helplessness on the part of the individual to cure himself of the narcotic habit without outside assistance was witnessed in Tientsin, April 15 when a dozen heroin addicts stopped the anti-drug fancy dress parade on the street and begged the authorities to immediately admit them to the drug addicts clinic for treatment. It was the first day of the Tientsin Narcotic Suppression Publicity Week, which was formally launched that morning with a mass meeting. The meeting was attended by over 1,000 representatvies of the various public organizations.

The chief judge of the Harbin courts has requested the judicial authorities at Changchun to make a ruling concerning the punishment to be meted out to drug addicts. Seven cases in which the accused used heroin recently came up for hearing in one morning. The judge was nonplussed, as the prison at Harbin is intended primarily for criminals and not as a home for drug addicts. The judge remanded the cases in order to consult the authorities at Changchun.

1,160 Drug Addicts Being Treated in Tientsin

A total of 1,160 opium smokers have been registered with the drug addicts' treatment clinic in Tientsin since its establishment several months ago. Of the total number, 700 drug addicts are said to have entered the clinic of their own accord.

Narcotics Found in Postal Parcels in Honan

A total of 33,670 grams of heroin and other narcotic drugs were discovered in several postal parcels which reached Anyang in northern Honan from Tientsin April 21. The recipients of the parcels were arrested.

Hunan Province has been divided into four areas to facilitate the destruction of the opium poppy. General Ho Chien, Chairman of the Hunan Provincial Government, has appointed Messrs. Tsao Po-wen, Huang Chia-sheng, Chang Kang-feng and Wang Shih-chieh as members of the Provincial Opium-Suppression Commission.

Ministry Orders Closes Watch on Tobacco Smuggling

A recent order of the Minister of Finance calls on all consolidated tax organs to observe strict vigilance in detecting tobacco smuggling. Detailed investigations are ordered in connection with the manufacture and sale of cigarettes and the purchase of raw materials by tobacco factories in their respective territories.

Hongkong Chinese Football Eleven Wins Trophy

By defeating the Portuguese foot-ball team at Hongkong in the final of the International Cup April 21 by a score of two goals to nil, China's eleven in Hongkong again won the trophy this year.

Basket-Ball Team Completes Successful Tour of Hangchow

Completing a victorious playing tour in Hangchow, the Central Kuomintang Basket-Ball Team, one of the strongest teams in Nanking, arrived in Shanghai April 21. Prior to its departure from the lake city, the Party squad defeated the Hangchow Municipal Tangpu Team by a score of 26-12.

Six Hundred Athletes Take Part in Contests at Tsinan

A huge crowd witnessed the opening ceremony of the Shantung Provincial 3rd Native Gymnastics Contests at Tsinan April 21 in which over 600 athletes are participating. Speeches were made by General Han Fu-chu, Chairman of Shantung Province, Messrs. Shen Hung-lieh, Mayor of Tsingtao, and Ko Kwang-ting, Chairman of the Administrative Committee of the Kiaochow-Tsinan Railway.

AIR MAIL and PASSENGER SERVICE

(SHANGHAI-HANKOW LINE)

W. Bound		E. Bound
7.00 *dep.*	Shanghai	*arr.* 14.05
9.15 *arr.*	Nanking	*dep.* 11.50
9.30 *dep.*	Nanking	*arr.* 11.35
11.15 *arr.*	Anking	*dep.* 9.50
11.20 *dep.*	Anking	*arr.* 9.45
12.20 *arr.*	Kiukiang	*dep.* 8.45
12.35 *dep.*	Kiukiang	*arr.* 8.30
14.05 *arr.*	Hankow	*dep.* 7.00

Daily Service

(SHANGHAI-PEIPING LINE)

N. Bound		S. Bound
6.30 *dep.*	Shanghai	*arr.* 15.30
9.30 *arr.*	Haichow	*dep.* 12.30
9.45 *dep.*	Haichow	*arr.* 12.15
11.05 *arr.*	Tsingtao	*dep.* 10.55
11.20 *dep.*	Tsingtao	*arr.* 10.40
14.30 *arr.*	Tientsin	*dep.* 7.30
14.45 *dep.*	Tientsin	*arr.* 7.15
15.30 *arr.*	Peiping	*dep.* 6.30

North bound on every Tuesday, Thursday and Saturday.

South bound on every Wednesday, Friday and Sunday.

(CHENGTU-CHUNGKING LINE)

E. Bound		W. Bound
12.00 *dep.*	Chengtu	*arr.* 16.30
14.00 *arr.*	Chungking	*dep.* 14.30

Both East and West Bounds on every Monday, Wednesday, Friday and Saturday.

(HANKOW-CHUNGKING LINE)

W. Bound		E. Bound
7.30 *dep.*	Hankow	*arr.* 15.50
9.00 *arr.*	Shasi	*dep.* 14.20
9.15 *dep.*	Shasi	*arr.* 14.15
10.00 *arr.*	Ichang	*dep.* 13.30
10.15 *dep.*	Ichang	*arr.* 13.15
12.25 *arr.*	Wanhsien	*dep.* 11.05
12.40 *dep.*	Wanhsien	*arr.* 10.50
14.30 *arr.*	Chungking	*dep.* 9.00

West bound on every Monday, Wednesday and Friday.

East bound on every Tuesday, Thursday and Saturday.

(SHANGHAI-CANTON LINE)

S. Bound		N. Bound
6.30 *dep.*	Shanghai	*arr.* 15.00
8.25 *arr.*	Wenchow	*dep.* 13.05
8.45 *dep.*	Wenchow	*arr.* 12.45
10.05 *arr.*	Foochow	*dep.* 11.25
10.25 *dep.*	Foochow	*arr.* 11.05
11.35 *arr.*	Amoy	*dep.* 9.55
11.55 *dep.*	Amoy	*arr.* 9.35
12.55 *arr.*	Swatow	*dep.* 8.35
13.15 *dep.*	Swatow	*arr.* 8.15
15.00 *arr.*	Canton	*dep.* 6.30

South Bound on every Tuesday and Friday.

North Bound on every Thursday and Sunday.

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EURASIA AVIATION CORPORATION

SPRING TIME TABLE 1935

Shanghai-Tchukuchak Line

West Bound				East Bound		
Wednesday	7.10 Lv.	Shanghai	Ar. 16.40	Sunday
	8.40 Ar.		
	9.05 Lv.	Nanking	Lv. 15.10	
	12.05 Ar.		Ar. 15.00	
	13.20 Lv.	Chengchow	Lv. 12.00	
	15.50 Ar.		Ar. 11.00	
	8.30 Lv.	Sian	Lv. 8.30	
	11.30 Ar.		Ar. 17.00	
Thursday	Lv.	Lanchow	Lv. 14.00	Saturday
Temporarily Suspended	Ar.		Ar.	Temporarily Suspended
	Lv.	Suchow	Lv.	
	Ar.		Ar.	
	Lv.	Hami	Lv.	
	Ar.		Ar.	
	Lv.	Urumtchi	Lv.	
	Ar.	Tchukuchak	Ar.	
			Lv.	

Peiping-Canton Line

South Bound				North Bound	
Wednesday & Sunday	7.50 Lv.	Peiping	Ar. 16.10	Wednesday & Sunday
	11.40 Ar.		Lv. 12.20	
	13.00 Lv.	Chengchow	Ar. 11.45	
	16.00 Ar.		Lv. 8.45	
Thursday & Monday	8.00 Lv.	Hankow	Ar. 15.50	Tuesday & Saturday
	9.40 Ar.		Lv. 14.10	
	10.00 Lv.	Changsha	Ar. 13.50	
	13.20 Ar.	Canton	Lv. 10.30	

Lanchow-Paotow Line

North Bound				South Bound	
Thursday	12.30 Lv.	Lanchow	Ar. 13.20	Friday
	14.30 Ar.		Lv. 11.20	
	15.00 Lv.	Ninshia	Ar. 10.50	
	17.20 Ar.	Paotow	Lv. 8.30	

NOTE:—1. Shanghai-Tchukuchak and Peiping-Canton lines are connected with each other at Chengchow, thus providing a most convenient route for Shanghai/Lanchow—Peiping/Canton.

2. Special flights to other places can be arranged only under special agreement.

Latest New York Stock Exchange Quotations

April 24, 1935
Business Done:-
Total Volume: 1,230,000 Shares

1934-35 High	1934-35 Low	Div. $ per sh.	STOCKS	Last Sale Apr. 22	Last Sale Apr. 23
121⅝	90¼	4.00	American Can	121	120
22½	14⅝	0.40	Amer. Cyanamid "B"	17¼	17⅜
13⅜	2	—	American & For. Power	3⅞	3⅞
38⅜	9¼	—	American Locomotive	12	12¼
17⅞	10	—	American Radiator	13½	13½
51¼	30¼	—	American Smelting	38	40⅜
125¼	99¼	9.00	American Tel. & Tel.	111½	111¾
89	67	5.00	American Tobacco "B"	82½	82¾
27⅝	7¼	1.00	American Waterworks	11⅞	12¼
17⅝	8	—	Anaconda Copper	12	12
78⅝	36⅜	2.00	Atchison, S. & S. Fe	39⅝	41½
35¼	21⅝	1.00	Atlantic Refining	23⅜	24¼
57⅝	15	—	Auburn	22½	22⅝
34½	7⅝	—	Baltimore & Ohio	11	11¼
23⅜	9⅜	—	Bendix Aviation	15½	15⅝
49¼	22½	—	Bethlehem Steel	26⅞	26⅞
11¼	6½	—	Boeing Airplane Co.,	7⅞	7⅝
28¼	19⅝	1.60	Borden Co.	24¼	24½
33½	16¼	1.50	Borg Warner	34½	34⅝
18½	9½	—	Canadian Pacific Railway	10½	10⅝
86⅜	35	—	Case, J. I.	55¼	55¼
43⅞	23	1.00	Caterpillar Tr.	42⅜	44⅞
40⅜	15⅜	1.40	Chase National Bank	21⅞	22½
48¼	37⅛	2.80	Chesapeake & Ohio	42	42½
60⅜	29¼	1.00	Chrysler	38	37⅝
19¼	3⅜	—	Columbia Gas & Electric	6⅝	7
36⅜	15⅜	0.60	Coml. Solvents	21⅜	21⅜
3⅜	0⅜	—	Commonwealth & Southern (ord.)	1¼	1⅛
47⅜	16¼	1.00	Consolidated Gas of N. Y.	22⅞	23½
22⅜	15½	0.50	Continental Oil	19⅝	7⅞
84¼	55½	3.00	Corn Products	67½	67⅝
9⅞	3⅝	—	Coty Inc.	5⅝	5½
28½	14½	—	Douglas Aircraft	23¾	23⅝
103⅞	80	3.25	Du Pont de Nemours	97½	96⅝
23¼	3⅜	—	Electric Bond & Share	6⅜	6¾
17½	8¼	—	Fox Film "A"	9⅞	10
25¼	16⅞	0.60	General Electric	24⅞	24⅜
36⅞	28	1.80	General Foods	35¼	35⅝
42	24⅝	1.50	General Motors	31⅜	30¾
23	15½	1.20	Gold Dust	16¼	16
41⅜	16	—	Goodyear Tire & Rubber	18⅞	18⅝
37⅜	18⅜	0.25	International Cement	27	27½
29¼	21	0.60	International Nickel	26⅞	26⅝
17⅜	5⅝	—	International Tel. & Tel.	8⅛	7⅜
66⅜	39	—	Johns Manville	46¼	46
23½	14	0.60	Kennecott	17¼	17½
38	20⅜	2.00	Loew's Inc.	38½	38⅛
22¼	15⅜	1.20	Lorillard	21	21¼
35⅜	20	—	Montgomery Ward	25½	25½
49½	22½	2.00	Nat. Biscuit	26⅜	26⅜
43	16⅜	1.00	National City Bank	21⅛	21⅛
18⅜	13	1.20	Nat- Dairy Prods.	15	14⅝
31⅝	16	0.80	National Distillers	28	27⅝
15¼	5	0.80	Nat. Power & Lt.	8⅜	8⅜
45¼	12¼	—	New York Central	16½	16⅝
25¼	9½	1.00	North American	14½	15¼
28¼	12⅜	1.50	Pacific Gas & Electric	18	18⅜
37	19	2.40	Pacific Lighting	25⅞	26¼
6⅝	2⅜	—	Packard Motors	4	4⅛
39⅛	17¼	1.00	Pennsylvania Railroad	29½	21½
20⅜	13	1.00	Phillips Petroleum	19	19
45	20⅜	2.80	Public Serv. of N.J.	28¼	27
9½	4	—	Radio Corporation	5	5
62⅜	43¼	3.00	Reynolds Tobacco "B"	48½	48
33⅜	17¼	—	Schenley	25⅜	25½
51¼	31	0.75	Sears Roebuck	37⅜	37⅝
19⅜	11	0.60	Socony-Vacuum	13⅝	13⅜
22¼	10⅛	1.50	Southern California Edison	14⅜	15¼
33⅜	13	—	Sthrn. Pacific	15¼	15⅝
36¼	7⅝	—	Sthrn. Railway	10⅜	11¼
25¼	14½	1.00	Stand. Brands	15½	15⅝
17	1⅜	—	Standard Gas & Electric	3¾	3⅝
42⅜	26½	1.00	Stand. Oil of Cal.	33	33½
50½	35⅝	1.25	Standard Oil Co. of N. J.	41⅜	41⅝
66½	47¼	3.80	Sterling Products	65¼	65⅛
29⅜	16⅜	1.00	Texas Corporation	20⅝	21⅝
43¼	29	2.00	Texas Gulf Sulphur	32½	32½
8½	5	.12½	Transamerica	5⅝	5⅝
50⅞	35⅜	1.40	Union Carbide & Carbon	52⅝	52¼
133⅞	83½	6.00	Union Pacific	90	91⅜
15¼	8½	—	United Aircraft (New)	12¾	12⅞
6½	3¼	—	Un. Airline Trans.	5½	5⅜
8⅜	1½	—	United Corporation	2⅝	3
24	9⅜	—	U. S. Rubber	12⅝	12¼
59⅞	27⅞	—	U. S. Steel	33⅜	33
21⅜	11¼	—	Vanadium	13½	13⅛
8¾	2¼	—	Warner Bros. Pictures	3⅜	3½
47¼	27⅜	0.25	Westinghouse Elect.	42½	41⅜

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